

ANNUAL REPORT

CARNEGIE CORPORATION OF NEW YORK

1967



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ANNUAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30

1967

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THE QUASI NONGOVERNMENTAL ORGANIZATION

FROM THE PRESIDENT'S OFFICE

The Quasi Nongovernmental Organization

IN recent years there has appeared on the American scene a new genus of organization which represents a noteworthy experiment in the art of government. Lodged, through the normal process of legal incorporation, in the private sector of society, this new entity has in many respects the countenance of the private, nonprofit enterprise and even some of the characteristics of the true voluntary association. Yet it is financed entirely, or in large part, by the federal government, it was created as the result of federal legislation or other governmental initiative, and it serves important public purposes as an instrument of "government by contract." We may call it the *quasi nongovernmental organization*.

What precisely is this new creature? Why has it come into being? What unique purposes does it serve? Why is it quasi nongovernmental? What is its probable future?

These are questions that have on the whole been little considered. They should interest anyone who is concerned about the future of private institutions in our society. They should also intrigue anyone who is concerned about how—indeed whether—our national government can remain an effective force in the face of the mounting complexity and increasing extent of the problems with which it must grapple. For this new social form has, like previous inventions such as the government corporation and the government foundation, come into being not for capricious reasons but because it is an indispensable response to new conditions. Our society needs it and accords it an honored, if indeterminate, place among our panoply of national institutions. What is different about this new development, however,

is that although it stems from government, it is not, like its predecessors, located within government. And, therefore, it raises some novel questions.

Quasi nongovernmental organizations seem to be principally a phenomenon of the past two decades. How many of them there are now or how much money government spends through them annually, no one knows for sure because of the difficulty of defining the genus precisely and because of the lack of any centralized information about it. The genus would, however, seem to include the following distinct and quite different species: several dozen so-called "not-for-profit corporations" providing advisory and other services to the Air Force, Navy, Army, Department of Defense, Atomic Energy Commission, and National Aeronautics and Space Administration; a small number of agencies related to the Department of State or the Agency for International Development providing educational, informational, cultural, and technical assistance services overseas; a score of regional educational laboratories sustained by the United States Office of Education; and about three-quarters of the more than 1,100 community action agencies, which receive most of their support from the Office of Economic Opportunity. The list would also include the limited group of organizations which have until recently been wholly supported by the Central Intelligence Agency.

Probably not yet to be classified as quasi nongovernmental organizations are many additional agencies which, unlike the ones just described, have genuine origins in the private sector but which in recent years, with large-scale government financial support, have increasingly become instrumentalities for carrying out public purposes. These agencies are found in the fields of health, welfare, and education, in the international area and in other domains. If the special relationships which they are developing with government become appreciably closer, they too will be denizens of the halfway house between government and the private sector already occupied by the quasi nongovernmental organization. One must, therefore, keep these additional organizations in mind as potential recruits to the new genus.

Characteristics

The quasi nongovernmental organization has many of the attributes of the true private organization. Typically, it has a board of trustees or directors that is supposed to govern it and that, in theory, is ultimately responsible for its affairs. The members of its staff are private employees, not civil

servants. It is not housed in a government building or located on federal property. Its employees are in most instances free from security clearance except when working on classified government business. In theory, it determines its own program and carries this out as it sees fit. Frequently, it receives some, though usually limited, financial support from sources other than the federal government. It may, occasionally, even extend the privilege of membership in itself to individuals meeting certain qualifications, thus giving it the appearance of the voluntary association. Lastly, as we have seen, it is legally incorporated as a private institution, and it enjoys tax-exempt status.

But the quasi nongovernmental organization has other characteristics which seem to deny it a place in the tradition of voluntary associations in American life or, indeed, fully in the private sector at all. Most importantly it was created as the result of federal legislation or administrative action in Washington, rather than on the initiative of private citizens. It is dependent financially for its very existence on Congress and the particular federal department, agency, or service to which it is related. The accounts it keeps on its federal funds are examined not only by private but also by government auditors. It may, indeed, even be subjected to a searching investigation of its books by the General Accounting Office on the order of a member of Congress. Its most active channel of authority, therefore, tends to run between its paid staff and a Washington bureaucracy, and its program is likely to be heavily influenced by Washington's needs, regulations, and whims of the hour. At bottom, its freedom of action, compared with that of a truly private organization, is considerably restricted because the necessity for public accountability is built into its very nature.

In the circumstances, the quasi nongovernmental organization is unlikely to be able to put down a deep and vigorous root system in private soil. However fine an organization it is and however useful, it remains an exogenous growth, never entirely accepted as either truly voluntary or fully private.

Reasons for Existence

The existence of each type of quasi nongovernmental organization has at one time or another been seriously called into question. And yet in each instance there was a convincing basic reason for its establishment. An urgent national need had been identified that no other institution in the society was meeting, or, seemingly, could meet.

In the case of the “not-for-profits,” the defense establishment, responding to new scientific and technological challenges, needed two products which it could neither develop in house nor buy from private industrial firms. These were, first, certain specialized technical skills derived from a scientific, scientific-engineering, or social science knowledge base and, second, highly specialized advice given with absolute objectivity. The capacity of the “not-for-profits” to pay salaries higher than those which government could offer of course enhanced their ability to attract particularly well-qualified personnel.

The regional educational laboratories were a governmental response to growing public awareness of failure in the nation’s educational system. In theory, it would have been possible simply to give the funds to university schools of education for additional research of the type they were already doing. Their research record, however, was considered sufficiently questionable to make this an unpromising alternative. While it was clear that university scholars from many disciplines would have to participate in a new national research effort in education, it was also clear that some new mechanism was needed as a base for the effort, a mechanism in which a number of resources not previously directed towards the problems of our educational system could be brought together. The independent nonprofit corporation was considered to be the best device for the purpose.

In the case of the CIA-sponsored organizations, a national need had appeared in the early fifties for some means through which American intellectuals could make their presence felt, and have their arguments for a free society heard, in the confrontation that had developed with the Communist camp. It was obvious that the Communists were organizing a variety of intellectual activities around the world aimed at winning uncommitted people to their side. We had to do the same, and yet we had no effective means at hand for the job.

One possibility would have been to use government funds openly to expand existing government educational and cultural exchange programs, but there were members of Congress and others in government who doubted the wisdom of such a course. Equally important, however, was the view held then within government that the United States, having private institutions, should use them in the struggle against totalitarianism because their very involvement would be an advertisement for a free society such as ours. The problem, however, was that in a number of instances we lacked private agencies with the appropriate mission and competence.

So the expedient of using CIA funds to create new private organizations specially for the purpose (and in some cases to subsidize existing agencies) was adopted. It was in the circumstances a quick, imaginative, and effective solution to a serious problem. But it was a solution that was bound in time to become embarrassing because of the incongruity of covert financing with the nature of free intellectual institutions. The need, however, for communication with intellectual and artistic leadership throughout the world remains, and, as before, it will have to be met very largely by government funds—but this time given on an open basis and by a more appropriate agency of government.

Sponsorship by the Agency for International Development and its predecessor agencies of new private organizations to provide technical assistance to developing countries came about for the straightforward reason that, in the administration of the aid program, there proved to be a distinct need for certain specialized kinds of services that no existing private agency or university was able to provide and that could not be developed as economically or efficiently within the governmental bureaucracy itself.

In the case of the community action agencies sponsored by the Office of Economic Opportunity, there was, again, a pressing national need not being met. This need was to develop an understanding of the causes of poverty, the will to attack it, and the capacity to do this on the basis of a broad participation of all elements in the community, including the poor themselves. The job was simply not being done by existing public and private agencies, nor was it thought, could it be; they were considered too fragmented in their approach and too set in their ways, and they were also seen as being too middle-class, too white, too paternalistic, and too alien to be acceptable to those who were most deeply mired in the “culture of poverty.” Clearly, the solution was to create a wholly new kind of mechanism to deal with the problem, the community action agency, and in most instances the most workable form for this to take proved to be that of a private, nonprofit agency heavily supported by federal funds.

The quasi nongovernmental organization has, therefore, been established to fulfill a number of specific purposes. These may be summarized under three general headings: to meet government’s need for specialized services not elsewhere available, to provide it with independent judgment, and to offer it the kind of flexibility required for fresh solutions to complex and novel problems. Each of the quasi nongovernmental organizations has had, in varying degree, these basic purposes. And in every case it

has been deemed essential to achievement of the purposes, not only that a new organization be created, but that it be located in the private, non-profit realm of American life.

The Voluntary Association

To understand why the quasi nongovernmental organization can never be fully integrated into the voluntary tradition in American life, we need to reflect for a moment on the characteristics of the true voluntary association. The term itself is elusive. Theoretically, it includes not only all kinds of private enterprise, both nonprofit and for profit, but even the institutions of a democratic form of government as well—in short any activity by private citizens undertaken in concert and on their own volition. A more usual definition, however, and the one we are concerned with here, restricts the term to *private, nonprofit* activities, that is, action outside the initiative and authority of the state but not in the profit-making sector. This definition can include such diverse enterprises as religious organizations, political parties, trade unions, private educational institutions, voluntary hospitals, private museums and libraries, professional associations, mutual insurance companies, cooperative savings and loan associations, foundations, research organizations, fraternal societies, social clubs, and so forth. (Sometimes use of the term is restricted even further to apply only to nongovernmental service organizations in such fields as health, welfare, and recreation. These organizations, however, are then usually referred to as “voluntary agencies.”)

Those who have studied voluntary associations in American life have maintained that they seem to satisfy two basic social needs. They offer the individual an opportunity for self-expression, and they provide a means through which he can promote his interests or beliefs, or satisfy his altruistic impulses, by way of collective action. Thus, most voluntary associations fall into one of two types, the expressive and the instrumental, or in some cases represent a combination of the two. An example of the former might be an amateur choral group; of the latter, a national health agency; and of a mixture of the two, a national sports society.

Voluntary associations have been credited with reinforcing our democratic political system in three ways. They distribute power widely in the society and permit the individual a share in it. They enable the ordinary citizen to understand better the processes of democracy by providing him a

means to participate in it in ways directly meaningful to himself. They provide a mechanism for the continual promotion of social change.

It is fundamental, therefore, to the true voluntary association, that it exists primarily to serve the *individual citizen*, providing him with a means for self-expression and collective action outside the aegis of the state. Voluntarism is, furthermore, based on the assumption that the maintenance of a democratic society depends not alone on the preservation of democratic governmental institutions, but also on the existence of nongovernmental institutions which serve a variety of democratic purposes outside the area of state action and responsibility.

On close inspection the quasi nongovernmental organization, although in some cases having volunteer workers associated with it, proves not to be a true part of the voluntary tradition. In carrying out its mission it may quite possibly serve the needs of the individual citizen. Certainly, in the case of the community action agencies, it often does. But in the final test it must serve public purposes, and if these do not coincide with the individual's purposes, government's interest must prevail. Moreover, the quasi nongovernmental organization does not have as a primary concern the safeguarding of the essential nongovernmental aspects of a democratic society. Its concerns are, rather, with the collective interests of the polity and with the discharge of government's responsibilities.

Thus, the quasi nongovernmental organization is at bottom as foreign to the tradition of voluntary association as is the formal structure of government itself. It has been created by forced draft and has not sunk its roots into the social structure as has the true voluntary association. No matter how much it is made to resemble the voluntary association, it can never be quite the same thing. It will always have a kind of "as if" or "as it were" quality to it, which leads us to attach to it the qualifying (but by no means disparaging) term *quasi*.

The Nonvoluntary Voluntary Association

In actual fact many voluntary associations today no longer meet the criteria for being truly voluntary, to such a degree have they become professionalized and bureaucratized, or so much has their *raison d'être* become one of responding to governmental needs. Such voluntary organizations no longer exist primarily to serve the individual, and he has little or no say in their management. Nor do they serve particularly to strengthen the volun-

tary aspects of democracy. "Voluntary" organizations such as these are, in a sense, severed heads no longer related to a body. They are answerable not to a membership, but to themselves—that is, to paid professional staffs—and self-perpetuating boards of trustees. These organizations are legitimized in society by the social utility of their programs rather than by their status as the representative organs of defined bodies of the citizenry.

This type of "voluntary" organization can perhaps best be called simply a private service agency. It is in most instances a highly valuable instrumentality performing essential services for society. Nothing that has been said about it, therefore, should be regarded as deprecatory. It exists as simply a distinct type of private, nonprofit organization clearly distinguishable from the true voluntary association.

There would, on the face of it, seem to be considerable resemblance between the quasi nongovernmental organization and the private service agency in that neither truly belongs within the great tradition of voluntarism in American life. But the likeness is, in fact, more apparent than real. The basic difference between them is revealed if we ask where the ultimate power and the ultimate responsibility lie for each type of organization. For the private service agency they lie solely with its board of trustees. It is this body alone which has to see to it that the organization is adequately financed and well managed and that its programs are relevant to society's needs.

In the case of the quasi nongovernmental organization, however, power and responsibility are shared uneasily between a board of trustees and government. While in a showdown the trustees, it is true, could threaten to dissolve the corporation, government on its side has the power at any time to starve it to death financially, or use its financial power to shape the organization's program. And since financial power of this kind implies the acceptance of responsibility, a measure of the final responsibility for these organizations must inevitably remain in Washington, in a federal agency in the first instance, but ultimately with the Congress.

This is why all the organizations which make up this new genus, the defense advisory "not-for-profits," the agencies created by AID and the CIA, the regional educational laboratories, the majority of the OEO-supported community action agencies, and others are unlikely ever to become fully integrated into the private side of American life. However much they have the appearance of the typical private service organization, they will remain at bottom something essentially different. They are founded on the notion

of "maximum feasible participation" of the private citizen in their governance, but, when the test comes, "maximum" must, of course, fall somewhere short of the absolute power possessed by the trustees of the fully private agency.

Independence and Accountability

The most difficult problem which has arisen in connection with the quasi nongovernmental organization is how to reconcile its dual needs for independence and accountability to government. It was placed outside government by its originators for good reasons—among them that this would help ensure its freedom. Freedom was considered to be an essential requisite to the functioning of this new type of organization.

On the other hand, the quasi nongovernmental organization, as we have seen, serves public purposes and remains almost totally dependent on the federal tax dollar for its existence. This makes necessary a close accountability by it to government. It was, therefore, in a sense, born in a dilemma, and it has never escaped from the constant inner tension this has produced as it has been buffeted by the conflicting claims of independence and governmental accountability.

The case for independence rests on the simple proposition that for government to reap the real benefits that these organizations offer, they must be *genuinely* independent. If they are anything less than this, their effectiveness will be compromised. Among the benefits, as we have seen, can be a special capacity for experimentation, objectivity, the ability to recruit specially trained or talented personnel, flexibility, economy, and efficiency. Each of these benefits is a direct function of the quality of the management of these organizations, and this in turn is a function of the degree of independence which management is accorded. In short, able men know that freedom of action is essential to their own highest performance, and they will demand it. Having won it, they will resist all attempts by government to erode it.

There would appear to be three minimum freedoms which the quasi nongovernmental organization must enjoy if it is to have real independence: freedom of program, freedom of administration, and freedom of communication. It must be able to decide for itself (within the limitations set by the legislative authority under which its governmental sponsor must operate) what programs to pursue and what to abandon, and relative priorities among the former. And certainly it must have absolute freedom to deter-

mine the nature of any part of its total program supported by private funds. It must have the right to hire and fire employees and determine their duties, compensation and perquisites, and where and how they shall be quartered. Lastly, it must be free to reach its own conclusions on both technical and policy questions and, within the minimum limitations of security requirements, communicate these without restraint publicly or privately to anyone interested.

The case for governmental accountability derives ultimately from the representative character of our democratic political system. In such a system those who govern do so on the sufferance of the people and in turn are accountable to the people. The citizen, therefore, has an inalienable right to know what his government's policies and programs are and how his tax dollar is being used.

In the American system of a separation of powers, both the President and Congress are accountable to the people and both, through appropriate methods, must satisfy themselves that when government funds are given to a private organization under grant or contract they are used for the purposes specified and in ways that do not result in personal gain to any individual above fair compensation for his services.

Thus, on the face of it, both the executive and legislative branches of government would seem to have a positive duty to exercise direct supervision over the affairs of the quasi nongovernmental organization, for how else can they discharge their responsibility to the people? This is also to some degree the case whenever government grants public funds to a private organization or individual, no matter how small the amount. But in practical terms does not government's responsibility for supervision rise in relation to the proportion which government funds represent in an organization's total budget, reaching a maximum degree in the case of the quasi nongovernmental organization? It has seemed so.

Also relevant is the degree of complexity of the activity being supported by government funds. The more abstruse and technical this is, and the further it is removed from the personal experience of the responsible civil servant or interested member of Congress, the greater is likely to be the freedom from supervision accorded it. Finally, there is some evidence to suggest that an organization's degree of independence is related to its general prestige and standing. If these are high, government is likely to treat it with greater respect.

If, in meeting its responsibility for supervision, government is not satisfied with the performance of a quasi nongovernmental organization, it must either withdraw its support or persuade the organization to mend its ways. Government then faces a dilemma. It cannot very well do the former, because it has a moral responsibility for the organization's very existence. To put it out of business would in some cases simply be to deny government services which it needs, and in other cases would be a politically embarrassing admission of the failure of a costly program. To intervene directly in the organization's administration is, however, equally distasteful, because this can very quickly succeed in killing off the organization's independence—the very thing which government most needs it to have.

Thus, independence and accountability to government seem to be irreconcilable when the theoretical implications of each are made explicit. And yet, paradoxically, the concept of a quasi private agency created as the result of government initiative and financed by public funds seems to work and in many instances work well. It works because there are constraints operating on both the governmental patron and its organizational protégé which most of the time enable them to avoid head-on confrontations. Most importantly, there is a job to be done in the national interest with no readily apparent alternative way of getting it done. This makes for a willingness to compromise on both sides, so that the requirements of neither independence nor accountability are ever fully met.

The quasi nongovernmental organization exists, therefore, in a state of constant uneasiness. To keep it functioning, there has to be on the part both of Congress and the particular executive department to which the organization is related a constant appreciation of the high value which its independence has to the nation and the greatest restraint in encroaching on this. And in the quasi private organization there must be irreproachable standards of conduct and common sense in regard to such matters as salaries and perquisites. There must, furthermore, simply be a constant awareness of the need for accountability to the people whenever public money is involved, however complex or professional the business at hand or however burdensome the process.

Essential also to the continued viability of the quasi nongovernmental organization is a clear definition of its responsibilities in relation to those exercised by government. While the former should have some role in government policy formation, this is essentially the responsibility of the latter.

It is all too easy for government to abdicate this responsibility when an issue is extremely complex or highly technical. The danger here is that the nongovernmental partner will become so deeply implicated in government policy through having in effect been the creator of it that it will sacrifice its position of detachment and objectivity, and hence its ultimate independence.

Finally, nothing can reduce a quasi nongovernmental organization to ineffectuality more quickly than to have government exercise its responsibility for supervision at too detailed a level. The necessity to clear petty and routine decisions with Washington not only causes inefficiency, delay, and wasteful duplication of effort but also makes it almost impossible for the private organization to hold good staff. At bottom, this sort of practice corrodes the basis of trust which is essential if the relationship between sponsor and protégé is to prosper.

The Future

One can only speculate about the future of the quasi nongovernmental organization. It is at present a highly useful, perhaps even indispensable, adjunct to government and, all things considered, has been a success. And one must remember that it was established as a response to new social needs that were not being met in any other way. Yet the very ambiguity of its status is bound to be cause for disquiet.

Throughout our history we have had two ways of getting things done in this society, by voluntary action (either profit-making or nonprofit) or by direct government action. The dividing line between these two spheres has always been indistinct. But gradually, in response to powerful new forces, especially population growth, urbanization, the thrust of new technologies, and the changing nature of the economy, the area of governmental responsibility has, perforce, greatly expanded. Many Americans have regretted this, because of a deep-seated belief in the value of voluntary action and accompanying distrust of government. This belief is part of our history and of our mores. A natural reaction, therefore, has been to strengthen the failing voluntary sector with public funds as a way of redressing the public-private balance. We have been doing this in the past few decades on an ever increasing scale with federal grant and contract funds.

The quasi nongovernmental organization does not, however, represent simply an intensification of this trend. It is, as we have seen, something new because it emanates not from the private sector but from government. Nevertheless, the questions that it raises in an acute form are the same

questions which must ultimately be faced by every private organization receiving an increasing share of its income from public funds: Is it possible in these circumstances to keep one's independence? Is independence important?

The latter question can be answered only with a resounding affirmative. It is important to the nation's future—vitally so—that we maintain strong, independent, nongovernmental institutions.

But how to do this in the face of increasing dependence of these institutions on public funds is a question that has received too little attention. There is, therefore, an urgent need to turn all of our powers of political and social inventiveness to this task. As we do so, a good place to start will be with the quasi nongovernmental organization, for if we can find ways to protect its independence, then surely we can solve the problem of guaranteeing the freedom of the truly private organization.

High on the priority list will be to find ways to give financial security to the quasi nongovernmental organization, because financial stability is an essential ingredient of independence. Here, fortunately, there is a device that is already working successfully for the defense-related organizations: the fee paid to them by their governmental sponsors over and above contract costs and overhead. This fee, which averages around 5 per cent of contract value, is unrestricted money, to be used as the organization sees fit. The fee arrangement seems to be the best device presently available for bringing to a nongovernmental organization the general support, free of project obligations, which it so desperately needs. The device could, and should, be extended to all organizations of the quasi nongovernmental variety and possibly to private organizations generally which receive substantial government funds.*

Also to be examined will be all aspects of the issue of accountability, for the present uneasy arrangement could fall apart at any moment. It seems probable that in the interests of meeting new public needs of the nation through the device of the government-established, quasi private organization there is going to have to be considerable "give" on the side of traditional modes of accountability to government. In short, independence will have a higher value than this kind of accountability because of the direct

* The financial plight of nongovernmental organizations at large and their need for general, unrestricted funds in addition to project funds was discussed in an introductory essay entitled "The Nongovernmental Organization at Bay" that appeared in Carnegie Corporation's annual report for 1966.

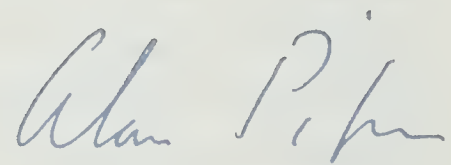
relationship that independence bears to quality of performance. And it is the latter that will matter most to the society.

To compensate for this "give," however, there will have to be an intensification in these agencies of the type of broad accountability to the public exercised by the staff and trustees of fully private, tax-exempt organizations generally. If this kind of accountability, which must include periodic public reporting, can be regarded as acceptable by government and the public, there is no reason why it cannot be fully as effective as accountability *through* government.

It is possible that because of the Vietnam war only a limited number of additional quasi nongovernmental organizations will be created in the months immediately ahead. A look into the farther range future, however, suggests the likelihood of a considerable growth of this type of institution, because the basic forces which have produced the present crop are more likely to become intensified than to diminish.

Also, it is none too early to consider what the mood of the country may be after the war ends. The American people may be eager then to turn to new and more satisfying endeavors and may show themselves ready to support major new governmental programs for the advancement of social welfare at home and economic and social development in Asia, Africa, and Latin America.

If this is so, there will be fresh pressure to create new quasi nongovernmental organizations to help do the job. Now is the time, therefore, before that pressure comes, for both government and the private sector to think this new organizational form through, in order to clarify its status, to strengthen it, and to find for it a more secure place in our society.

A handwritten signature in blue ink, appearing to read "Alan P. Rosen".

PRESIDENT

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Public Television

If we were to sum up our proposal with all the brevity at our command, we would say that what we recommend is freedom. We seek freedom from the constraints, however necessary in their context, of commercial television. We seek for educational television freedom from the pressures of inadequate funds. We seek for the artist, the technician, the journalist, the scholar, and the public servant freedom to create, freedom to innovate, freedom to be heard in this most far-reaching medium. We seek for the citizen freedom to view, to see programs that the present system, by its incompleteness, denies him.

Public Television: A Program for Action, The Report of the Carnegie Commission on Educational Television; Harper & Row and Bantam Books, Inc., 1967.

On January 25, 1967, the Carnegie Commission on Educational Television¹ announced to the nation the twelve recommendations it had formulated after more than a year of intense study and deliberation. The Commission was set up in 1965 under the sponsorship of Carnegie Corporation, in answer to a proposal that Ralph Lowell, president of WGBH Educational Foundation (the Boston educational television station), made at a conference on the long-range financing of educational television stations, sponsored by the National Association of Educational Broadcasters.

In its recommendations the Carnegie Commission concentrated on what it called "public television," or programs directed to the general community. Public television differs from commercial television in that it is not bound by the need to seek advertising support—or, in E. B. White's words, by the "idea of acceptability"; it differs from instructional television in that it is not designed for formal teaching.

The Commission's Proposal

Every American, Commission members proposed, should be free to make a choice when he turns on his television set. He should be allowed to

¹ The Commission's chairman was James R. Killian, Jr.; its members were James B. Conant, Lee A. DuBridge, Ralph Ellison, John S. Hayes, David D. Henry, Oveta Culp Hobby, J. C. Kellam, Edwin H. Land, Joseph H. McConnell, Franklin Patterson, Terry Sanford, Robert Saudek, Rudolf Serkin, and Leonard Woodcock.

choose between the offerings of commercial television and those of stations unfettered by commercial considerations. But even within noncommercial broadcasting he should have a choice. The Commission report states: "Television should serve more fully both the mass audience and the many separate audiences that constitute in their aggregate our American society. . . . To all audiences should be brought the best energies, the best resources, the best talents—to the audience of fifty million, the audience of ten million, the audience of a few hundred thousand."

To provide this mixture of diversity and excellence, the Commission called for a system entirely different from the educational television system now in existence, one "that in its totality will become a new and fundamental institution in American culture." Under this system, local stations would be increased in number and strengthened so that they could produce a vital component of local and regional programming. Thus, with ready access to both local resources and central programming facilities, each individual station could make real programming choices.

To achieve such a system the Commission proposed creation of a federally chartered, nonprofit, nongovernmental "Corporation for Public Television." As envisioned by the Commission, such a Corporation would receive and dispense governmental and private funds, perform certain services for public television that a nationwide organization can best provide (assisting local stations to find able personnel, for example), exert an "upward pressure" on programming standards, and give local stations a means of communicating with each other and with the public. But the main responsibility of the Corporation for Public Television would be financial support of program production. The Commission proposed that this support should go to two national producing centers (National Educational Television, known as NET, and a second to be created), to about twenty local centers with facilities ample enough to provide programming for more than local use, and to local stations to produce programs for community consumption.

The Commission also tackled the problem of how to pay for public television. There are currently close to 140 noncommercial television stations, with a total annual income (exclusive of NET) of about \$60 million—an amount only slightly more than the three commercial networks spend on one month's programming. The system proposed by the Carnegie Commission would eventually comprise some 380 noncommercial stations; the

total annual cost of a "well-financed and well-directed educational television system," the Commission figured, would be about \$270 million.

Clearly, the proposed new system would require financial support from the federal government vastly greater than present allocations to educational television from this source. But it is also clear that the television system proposed by the Commission, devoting a good part of its resources to new and public affairs programming, would need stable financial support, as free as possible from the political negotiations that influence annual appropriations of federal funds. To provide such support, the Commission proposed, a manufacturers' excise tax could be levied on television sets; beginning at 2 per cent and rising to a maximum of 5 per cent, such a tax would, the Commission projected, ultimately produce revenues of about \$100 million. The difference between \$100 and \$270 million would be met by state and local governments, by the federal government acting through the Department of Health, Education, and Welfare, and by foundations and other private sources.

In the Wake of the Report

The Commission's report was met with great interest and caused much public discussion. The Columbia Broadcasting System immediately pledged \$1 million as part of the \$25 million of private support the Commission saw as being desirable in the funding of the Corporation for Public Television.

In March President Johnson, in a special message to Congress, proposed creation of a corporation for public television along the lines of that described in the Commission's report. This recommendation was soon translated into the Public Broadcasting Act of 1967. Congress approved the Act, and the President signed it into law on November 7, 1967. At the signing ceremony, Carnegie Corporation pledged \$1 million for support of the new Corporation for Public Broadcasting, and the President announced the appointment of Milton S. Eisenhower and James R. Killian, Jr., as the first members of the fifteen-man board of directors for the new organization.

Building the kind of excellent and diverse public television system the Commission had in mind and giving it a chance to prove its worth will, however, take more than federal appropriations. It will require sustained public concern and participation.

In the belief that Americans, once they are aware of its possibilities, will

want, support, and enjoy public television, five concerned citizens formed a National Citizens' Committee for Public Television last spring. The five were Thomas P. F. Hoving, director of the Metropolitan Museum of Art in New York City, and now the Committee's chairman; Ralph Ellison, author; Devereux C. Josephs, former chairman of New York Life Insurance Company and currently chairman of the board of WNDT, the New York educational television station; Ralph Lowell, chairman of the Boston Safe Deposit & Trust Company and president of WGBH Educational Foundation; and Newton N. Minow, former chairman of the Federal Communications Commission, now an attorney in Chicago and a director of WTTW, the city's educational television station.

Summing up the purpose of the National Citizens' Committee at a conference of the National Association of Educational Broadcasters last November, Mr. Hoving said, "The National Citizens Committee for Public Television will speak in the public interest—for the people—to government, community and industry. It will seek broad public support for the development of a stronger, more creative and productive Public Television System—both locally and nationally. It will aid in implementing the policies and furthering the goals of the Corporation for Public Broadcasting."

Committee members, now numbering more than 100, include artists, businessmen, educators, and people in public positions. The Committee has offices at 609 Fifth Avenue in New York City; its executive director is Ben Kubasik, who has been associate director of the Public Broadcasting Laboratory of NET and before that was with the Ford Foundation. The Committee's efforts, expected to continue over the next two or three years, are being supported by Carnegie Corporation as well as by the Danforth Foundation, Ford Foundation, W. K. Kellogg Foundation, Twentieth Century Fund, and Alfred P. Sloan Foundation.



Educational Opportunity: The Will, Then the Way

In Harlem last year a group of angry parents astonished many fellow New Yorkers by picketing the opening, in their neighborhood, of a very modern intermediate school in the New York City school system. They clearly felt that new facilities alone would not solve old problems.

In Cambridge, Massachusetts, a group of social scientists and other interested scholars and professionals met weekly, between November 1966 and May 1967, at Harvard University to scrutinize results of a national survey designed to answer some questions about equal educational opportunity.

The objecting Harlem parents and the specialists meeting in Cambridge were, in their own ways, trying to deal with the same problem. It has become evident to them—and to others—that improving educational opportunities for the disadvantaged youngster is a more difficult task than was at first expected. The effects of poverty on intellectual development are tenacious. But even more harmful are the hopelessness and passivity bred in the person who grows up surrounded by evidence that economic, social, and racial handicaps are nearly impossible to overcome.

The struggle for equality of educational opportunity seems to be entering a new phase. Those who desire this equality for their children are no longer satisfied by traditional solutions that do not reach to the roots of the problems they know so intimately. Those responsible for finding new solutions are more and more perceiving the need for additional basic knowledge—about people's abilities and drives, about how they think and how they grow, about the extent to which given factors in the environment can influence human development for better or for worse.

More Questions Than Answers

With this in mind, Carnegie Corporation made a grant to enable the seminar group meeting in Cambridge to examine in detail the tentative

findings of a survey, *Equality of Educational Opportunity*, which had been made for the United States Office of Education in 1966. This survey, better known as the "Coleman Report," was designed by James S. Coleman of Johns Hopkins University.

Perhaps one of the most provocative results of the Coleman study is the evidence it gives of the close association between what a disadvantaged student achieves and the way he feels about his future. The child who believes that his own will counts, that he has some control over his own destiny, does much better than a similarly endowed child in the same kind of school who lacks this belief.

The more than seventy participants in the Harvard seminar on the Coleman report reanalyzed the report's data, considering alongside them additional data from the more recent report of the United States Commission on Civil Rights, *Racial Isolation in the Public Schools* (February 1967). The participants did not endorse or disprove the findings in the Coleman study. They did, in the words of one member, see the report as serving "the function of dramatizing the complexity of the problem." This writer added, "It should become clear that any problem which is so difficult to define and measure is not going to be solved by any single, simple solution." A book of articles and essays resulting from the seminar will be published in 1968.

From Passive to Active

The Coleman study's finding that a student's conception of his own power is a major factor in his achievement puts a new light on the problem of improving educational opportunities for youngsters. It now becomes imperative to know what causes some children to feel that they control—and value—their own future, and how this feeling can be nurtured.

Richard deCharms, a professor of psychology and education at Washington University in St. Louis, is seeking to answer these questions. Professor deCharms has been studying motivation in children for some time, and he believes that a sense of personal responsibility (the feeling that one is able to change one's environment so as to produce results to one's liking) may be a strong factor in the child's motivation to succeed in school. Under a Carnegie Corporation grant, he is measuring this sense and relating it to other measures. He and his research group have been testing about 1,200 fifth graders for motivation and achievement in a low-income school district in St. Louis. They are also studying the pupils' school and home environments to determine to what extent these foster or hinder the growth

of motivation to learn. They will observe and retest as many of these children as remain in the district until the end of seventh grade to discover what changes take place in their attitudes and learning progress. In addition to testing and observing, Professor deCharms will be putting some of what he is learning into practice by showing teachers how to encourage their students' motivation to learn.

For three years, the North Carolina Advancement School, which was established in 1964 in part with funds from the Corporation, has been studying ways to combat underachievement and subsequent school dropout among students with average or better ability. The school works with eighth-grade boys from all over the state whose scores on aptitude tests show they are not meeting their potential for school achievement. The Advancement School has managed to improve these boys' motivation and achievement significantly by using imaginatively designed methods and materials.

The next step was to field test these methods and materials in the North Carolina school system to see if they work as successfully in typical schools as they have at the Advancement School. A second grant this year enabled the school to test five learning units in some 150 junior high schools across the state. The learning units—in remedial reading, communications, mathematics, health and physical education, and geology—all involve considerable use of audio-visual equipment and the active participation of students as they move from subject matter of immediate interest to generalizations and abstractions. The units depart radically from the traditional curriculum and are designed to promote the teachers' enthusiasm for innovation and change.

The Intangible Walls

An English-speaking teacher facing a class of Spanish-speaking children has obvious problems. But an English-speaking teacher trying to teach children who, she thinks, understand the same language she does—but who actually do not—has problems she is not even aware of.

The speech of most poor Negroes is quite different from that of other Americans, even other poor Americans. This difference forms yet another barrier to economic and social progress. English teachers who find it unusually difficult to teach students from this group to speak "correctly" are apt to conclude that they have below-normal aptitudes for language.

At the Center for Applied Linguistics in Washington, D. C., a group of

linguists have begun an ambitious attack on this problem. Fundamental to their work is the view that the poor Negro does not speak “bad English” but a perfectly legitimate language of his own, and that to teach these people it is important to recognize the differences between their own language and standard English. To chart these differences they are interviewing and recording the speech of Negro children in Washington and submitting these data to linguistic analysis. With this information, they plan to prepare teaching materials and to hold workshops for teachers during the summer to train them in the use of the materials. The Center received a three-year grant from Carnegie Corporation to support this project.

Geographical boundaries between neighborhoods are often psychological boundaries as well; like speech differences, they can cut some Americans off from full enjoyment of our society’s resources. Realizing this, two important urban museums—the Whitney Museum of American Art in New York City and the Smithsonian Institution in Washington, D. C.—are moving into residential neighborhoods. Each museum has established a neighborhood center in a low-income area in its city—the Smithsonian in Anacostia, and the Whitney on the Lower East Side. A Carnegie Corporation grant this year helped the Whitney and the Smithsonian to begin the neighborhood centers and also aided the Whitney in developing its department of education.

This Way Up

Over 3,000 disadvantaged New York City students in twenty-four high schools, who last year expected their education to end with high school graduation, are now preparing to try for admission to a college or university in New York State. Their new outlook is due largely to the efforts of the New York College Bound Corporation (NYCBC). The NYCBC is a liaison organization comprising almost all of the colleges and universities in the Greater New York area; the New York City public school system; the New York and Brooklyn diocesan school systems; the National Scholarship Service and Fund for Negro Students; and Aspira, Inc., an organization helping to develop career opportunities and leadership roles for Puerto Rican youth.

When they are about to enter high school, the young people chosen for this program are identified by their counselors as having college potential. About 3,000 are expected to participate in the program each year. The high schools provide compensatory education, including a pre-high school

summer session and special classes with small enrollments, to prepare them for college work. The students and their families also receive special counseling services. At least two-thirds of these students should be eligible for college, and all of those eligible will receive adequate funds for completing college under arrangements made by the NYCBC. A Corporation grant this year helped the NYCBC get on its feet.

A program in California that began this year attempts to spot disadvantaged students with college potential and to prepare them for higher education before it is too late. Project Open Future is jointly sponsored by the California Association of Independent Schools and the Claremont Colleges; it is thought to be the first joint college and independent school program of its kind on the West Coast. One hundred and ninety boys and girls from Los Angeles and Compton junior high schools spent five weeks in a residential summer school program last year. About half of the boys and girls went to two independent schools: the Thacher School in Ojai, and the Midland School in Los Olivos. The other half lived and studied on the campuses of Claremont and Scripps Colleges.

Now that regular school has resumed these students go to the Colleges every Saturday for morning classwork in one or more subject areas; in the afternoons, accompanied by a college "big brother" or "big sister," they visit a museum or other place of interest or do creative work that appeals to them. The youngsters are to stay in the program until they graduate from high school; since the number of participating schools is small, each school contributes a sizable proportion of its students to the program, and these students could have a considerable effect on their classmates over several years. By its third summer the project will expand to take in about 300 students who have finished seventh grade. Project Open Future received a two-year Corporation grant.

The National Indian Youth Council, formed in 1961, is an organization concerned with providing education for American Indians that relates specifically to their needs. The Council is composed primarily of young Indians who have maintained ties with their Indian communities and who represent a wide cross section of tribal groups. This year, with funds from Carnegie Corporation, the Council has commissioned a comprehensive study on the present state of Indian education. The study will include detailed information on ten Indian schools and their communities, carefully selected to represent the range in types of schools as well as the variety in ways of life among the Indians. Also, through data collected from other

sources, such as the United States Bureau of Indian Affairs and state departments of education, the study will provide an overview of Indian schools and the communities they serve. The study is being directed by Glen P. Nimnicht of the Far West Laboratory for Educational Research and Development in Berkeley, California.

United Scholarship Service, Inc. (USS), a private organization founded by the United Church of Christ and the Protestant Episcopal Church, and also sponsored by the National Indian Youth Council, has been working since 1960 to provide scholarships, encouragement, and counseling to students of Mexican- and Spanish-American descent and also to American Indians. These students must often make do with an indifferent educational system that for the most part ignores their special problems, their requirements, and their potential. Despite a disadvantaged start, the students manage to catch up by the end of college; often, however, they do not qualify for graduate study fellowships because their grade averages are not high enough. A three-year Carnegie Corporation grant will allow the USS to hire an additional staff member who will visit colleges to encourage such students to seek further education and will also work with admissions offices at graduate and professional schools to help them gain admission. The grant includes some funds for fellowships.

Planning for Progress

In the next five years, fifty to seventy Negro colleges in eleven Southern states will each be going through an intensive study of their own operations aimed at improving their planning and financing. Such self-study is a vital part of any college's activities, and for these particular institutions it is required to keep or gain accreditation from the Southern Association of Colleges and Schools. It is a process, however, that poses special problems for the Negro colleges. In many cases, these institutions lack the trained manpower and the funds to carry out a probing, constructive study. With Corporation funds, the Southern Association will make available an experienced member of its full-time staff for consultation with the colleges on their self-studies, and it will enable the institutions to obtain other consultants for specialized assistance.

Assessment and Planning

Where are we? Where are we going? These questions about the American educational system are the subjects of two projects supported by Carnegie Corporation, one well underway and one just beginning. Both are expected to provide significant information for all concerned with educating Americans—a responsibility that shows every sign of expanding to cover younger and younger children and more and more aspirants to college and graduate training.

Assessing Value Received

The American educational system is a gigantic enterprise in terms of plant, equipment, and people—not to mention that its product, an educated citizen, is the most important a nation can produce. Every taxpayer is a stockholder in this enterprise. Yet no one actually knows very much about its product. We have figures on how much is spent on public education, how many people are involved, and so on, but very little objective information on how much Americans learn—both in school and from the many other sources of education open to them.

The Committee on Assessing the Progress of Education,¹ appointed by Carnegie Corporation in 1964, has been exploring the possibility of obtaining census-like data on what Americans in several age groups know in given fields. With grants from Carnegie Corporation and the Fund for the Advancement of Education of the Ford Foundation, the Committee has consulted with relevant groups about the feasibility of such an assessment and what its uses would be. Working with scholars, teachers, and laymen, the Committee has defined goals or objectives against which to measure progress in ten areas of learning: reading, writing, science, mathematics, social

¹ Members of the Committee are Ralph W. Tyler (chairman), Melvin W. Barnes, John J. Corson, Paul F. Johnston, Devereux C. Josephs, Roy E. Larsen, Paul F. Lawrence, Katharine E. McBride, Lloyd N. Morrisett, Paul C. Reinert, and Mabel M. Smythe.

studies, citizenship, music, literature, fine arts, and vocational education. The goals incorporate what a representative group of experts and concerned laymen think reflects the contribution of each area, what the schools are trying to transmit, and what leading lay citizens think they should transmit. Using these objectives, four testing agencies have been developing the actual instruments to be used. The instruments include many kinds of exercises, as well as interviews, questionnaires, performance tests, and observational procedures. The Committee has had these instruments reviewed, evaluated, and revised.

This past spring, with renewed grants from the Corporation and the Fund, the Committee began tryouts of the new assessment instruments in order to determine their validity. If, after careful trials and modifications, the Committee is satisfied that the new instruments are adequate to the assessment task, it will then begin its final phase: determining which one of several alternatives for administering an actual assessment it will recommend.

Present plans call for a periodic assessment using a probability sample of each of 256 populations defined by these subdivisions: boys and girls aged nine, thirteen, and seventeen, and adults under thirty, in two socioeconomic levels, living in large and small cities, suburbs, and rural areas across the country. The use of complex sampling techniques will make it possible to give the tests to only a small percentage of each group; any one person taking the test will spend only about half an hour doing a small portion of the exercises.

The assessment is not being designed to evaluate a particular individual, school, or school system, but to provide data about large groups of people. The educational goals used as a yardstick are those a majority of teachers, curriculum specialists, and lay citizens subscribe to, and should these goals change, the assessment instruments used in the future would be modified accordingly.

The Future of Higher Education

Today public attention is beginning to focus very directly upon higher education, for it is more and more apparent that American colleges and universities are strained physically and financially, and that a crisis may be approaching. While some steps are being taken to meet the immediate problems there is general agreement on the need for a long-range, more

thorough examination of where American higher education is now headed, where it should be headed, and how it is going to get there.

Under the auspices of the Carnegie Foundation for the Advancement of Teaching (CFAT), with Carnegie Corporation funds, such an examination is now in progress. It is the responsibility of a distinguished group of persons concerned with higher education, the Carnegie Commission on the Future of Higher Education.² Former University of California president Clark Kerr is the Commission's chairman and executive director.

The Commission will look at the relationship of the functions and structure of higher education to the changing needs of American society. It will ask: What forms should this system of incredibly diverse institutions take? What should be the roles of junior colleges, state colleges and universities, and private liberal arts colleges and universities? Having examined these questions, the Commission will suggest possible patterns of development, including those that seem most likely to occur on the basis of projections from current rates of growth as well as those that seem less probable but perhaps more desirable. The Commission will, finally, estimate the costs of these various possibilities, propose how these costs can be met, and consider whether the public will be willing and able to meet them.

Headquarters of the Carnegie Commission on the Future of Higher Education are now established at Berkeley, California, where Mr. Kerr is initially devoting two-thirds of his time to directing the work with a small central staff. Smaller offices in Cambridge, Massachusetts, and in Chicago, Illinois, are being used for seminars on matters relevant to the study. The Commission will also hold conferences around the country for a better understanding of regional and local problems in higher education. In addition it is contracting with individuals and organizations for sub-studies of various facets of higher education.

² Members of the Commission are Ralph M. Besse, Joseph P. Cosand, William Friday, David D. Henry, Theodore M. Hesburgh, Carl Kaysen, Clark Kerr, Roy E. Larsen, Katharine E. McBride, James A. Perkins, Clifton W. Phalen, Nathan M. Pusey, David Riesman, William W. Scranton, and Norton Simon.

The Education of Teachers

The colleges preparing students to teach in primary and secondary schools are entering a period of ferment. The demands on them are enormous: for better teachers; for more teachers; for teachers equipped to make use of new curricula, new teaching devices, and new knowledge about the learning process; for teachers capable of working with groups of students about whom relatively little is known, such as the very young or the disadvantaged. At the same time, the universities are reexamining their role as trainer of young scholars most of whom will teach the next generation of undergraduates and graduates; they are asking whether good training in scholarship is enough to ensure good teachers, and whether good teaching—however measured—should not be a major criterion for professional advancement.

Research and Training, Copartners

A major criticism of the programs preparing primary and secondary school teachers has been that they are isolated from the rest of the academic world, especially from that part engaged in research relevant to teaching at those levels. On the other hand, many feel that university students being educated to teach in colleges and universities are *too* research-oriented, that they do not receive enough course work and practice in teaching techniques.

In an important experiment to coordinate teacher training and educational research, Carnegie Institute of Technology (which merged with the Mellon Institute this year to form Carnegie-Mellon University) hopes to attack these and related problems. For some years Carnegie Tech has been a leading center for the development of public school curricula. Now it has formed a new structure, called the Carnegie Education Center, which combines curriculum development with graduate training programs for teachers, educational administrators, and researchers.

The Center is designed around five curriculum projects—in English,

mathematics, social studies, fine arts, and the natural sciences—each headed by an outstanding scholar-teacher. Students working for the Center's advanced teaching degree, a Doctor of Arts, take two years of courses; the emphasis is on subject matter, but the course work also includes study of cognitive processes and of materials and methods of instruction. They also intern in one of the curriculum projects, developing course materials and testing these in the classroom, and they use this experience as the basis for the dissertation. The Carnegie-Mellon Doctor of Arts program is thus less research-oriented than existing doctoral programs, and it stresses mastery of subject matter more than the Doctor of Education degree. In the near future, the Center hopes to offer doctoral programs in curriculum development and evaluation, and in educational administration. Carnegie Corporation gave the Center a five-year grant this year.

The Schools Take a Turn

Another criticism of teacher-training programs is that they graduate teachers who know a lot about theory, and very little about the art of teaching. This fall the Minneapolis Public Schools, with the cooperation of the University of Minnesota College of Education, began a program focusing on the practice-teaching experience, with emphasis on the urban classroom.

The idea for the program stems from James B. Conant's recommendations on apprentice teaching in his book, *The Education of American Teachers* (1963). Mr. Conant proposed that the public school system itself share responsibility for educating the teachers coming to it. Up to now most student teachers have had some practice-teaching experience, but this has commonly been supervised by university faculty, some of whom have not actually taught for years—and often not at all in schools like those in our present-day large cities.

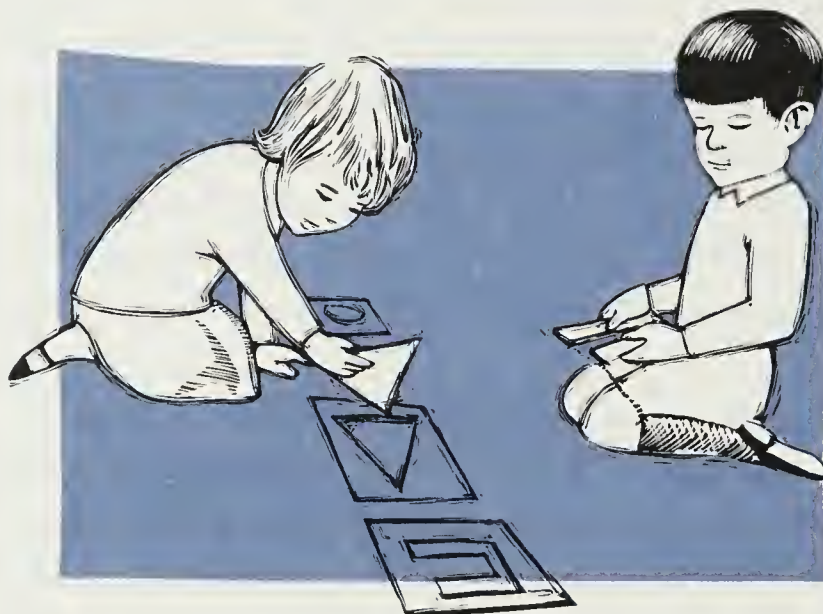
In the Minneapolis program, teachers now teaching English in the high schools have total responsibility for the direction and conduct of practice teaching. The key to this new arrangement is a "clinical professor"—an experienced high school English teacher holding a joint appointment at the University of Minnesota—who gives the teaching methods course at the College of Education and oversees the operation of the program in the high schools. The program draws on talented high school English teachers, some highly experienced and some with only a few years' experience.

If the program works in Minneapolis, it can be duplicated in other sub-

ject matter areas and by other school systems. Carnegie Corporation made a three-year grant to support the program.

Teachers for Toddlers

While behavioral scientists are presenting more and more evidence that the first five years of life are all-determining ones in human intellectual and social development, educators and social scientists are becoming increasingly convinced that formal schooling should begin earlier than the traditional kindergarten or first grade. There is no shortage of enthusiasm for early education, but there is a shortage of teachers trained to teach three-, four-, and five-year-olds in ways that take account of new and ever increasing knowledge about their characteristics and their potentials.



Carnegie Corporation this year supported four programs to provide up-to-date training for teachers of young children.

One of these programs is concerned with teaching methods developed in Italy early in the century by Dr. Maria Montessori. These methods place great stress on the use of self-teaching materials scaled to the small child's size and are designed to make maximal use of his extraordinary curiosity and his ravenous desire to understand and control his environment. Although the materials have proved successful with all children (because each child proceeds at his own pace), they are especially helpful in educating small children from culturally deprived homes.

The recent interest in Montessori methods—from Head Start programs

to private suburban nursery schools—has far outrun the supply of teachers trained to use them in the classroom. This year the Corporation gave a three-year grant to the first university-based graduate teacher-training program in the United States to offer a concentration on Montessori methods. This program, founded in 1965 at Xavier University in Cincinnati, is beginning to serve as a model for other university programs now springing up around the country. Xavier does not accept the total Montessori method as perfect, and part of the graduate program consists of research on its effectiveness. Students in the Master of Arts program take one-year courses in educational philosophy, psychology, methods, and research, and those who want certification as a Montessori teacher may intern in a Montessori classroom under the University's supervision.

Jackson State College, a predominantly Negro college in Mississippi, will soon reestablish its training programs for nursery school and kindergarten teachers. Carnegie Corporation funds allowed Lottie W. Thornton, the program's director, to visit new teacher-training programs around the country last spring and to study at Teachers College, Columbia University, last summer. Mrs. Thornton was observing current innovations in this training area, and she is now incorporating those she found relevant into her program.

Pacific Oaks College in Pasadena, California, has played a leading role on the West Coast in training teachers for preschool classrooms. Pacific Oaks also runs a guidance, consulting, and training service for day-care centers, hospitals, welfare and social service agencies, and other community institutions that work with small children; in addition, it has become a training center for Head Start teachers in California and Arizona. A Carnegie Corporation grant is allowing faculty of the College to study experiments in preschool education across the country, reappraise the Pacific Oaks programs, and plan its role in meeting the fast-growing demand for persons intelligently trained to work with young children.

Wheelock College in Boston is another growing center offering undergraduate and graduate training for teachers of young children (preschool through grade three). In addition to providing teachers, Wheelock finds itself increasingly giving advice and assistance to schools in the surrounding area as they start or expand early education offerings. Under a Carnegie Corporation grant Evelyn Weber, associate professor of education at Wheelock, is spending a good part of the 1967-68 academic year visiting and studying research and experimental programs in early education. She

is returning periodically to the College to share her findings and to help set up experimental programs in Boston area schools at which Wheelock students are teaching.

Teachers Are Students Too

Universities now realize that when a professional is graduated at twenty-five or thirty, his formal education is not over. And teaching is no exception in this regard—in many fields teachers must refresh their knowledge of the subjects they teach or they fall far behind in meeting their professional responsibilities.

The Reverend Ernan McMullin, chairman of the philosophy department at the University of Notre Dame, has defined an especially critical situation that fits this pattern and, with Corporation funds, has built a program to rectify it. Of those teaching philosophy in American colleges and universities, one-third are faculty members of Roman Catholic institutions. Many of these teachers received their training at Roman Catholic institutions where philosophy instruction was often designed for students going to the seminary; as a result, the courses *they* now teach contain little about contemporary developments in philosophy, and they find it difficult to communicate easily with many of their professional colleagues. On the other hand, some of the larger Catholic graduate schools have modernized their philosophy curricula, and they are attracting non-Catholic as well as Catholic students. Graduates of these institutions have the whole range of teaching positions open to them, and many go to secular colleges and universities, leaving the small Catholic colleges hard-put to find new faculty.

The program Father McMullin has designed will bring forty philosophy teachers from small Roman Catholic colleges to Notre Dame during the summers of 1968 and 1969 for intensive study of contemporary philosophy. Faculty for these institutes will come from the Notre Dame philosophy department, and major philosophers from other universities, secular and nonsecular, will give lectures and take part in seminars and informal discussions.

Higher Education: One Answer Is Diversity

Nothing is more undemocratic or more apt to destroy equal opportunity than forcing human beings with exceedingly different aptitudes and motivations through identical social institutions.

Biologist Ernst Mayr's statement could well serve as a motto for much current thinking about education at all levels, but it is especially relevant for recent trends in institutions of higher education. "Human beings with exceedingly different aptitudes and motivations" is a good description of the students now attending the various kinds of colleges and universities in this country. As these institutions accommodate themselves to the potentials and needs of present-day students, they are of necessity becoming more and more individualistic and experimental. New technological developments, holding vast—but as yet little realized—possibilities for changing traditional methods of teaching and learning, promise even more variety and experimentation in the future.

Preparatory Planning

One sign that educators are becoming more aware of diversity among college-aged students is the increased attention they are paying to the first two years of college. The relatively new phenomenon of the junior college grows out of this interest. But even for students who pursue four years of college work, and perhaps graduate study after that, it is quite evident that the freshman and sophomore years are set off from what follows. These considerations are prompting study and experiments in various ways of handling this educational unit.

One such examination is being made, not by people from colleges or universities, but by a committee set up by four private preparatory schools.

The leading independent schools in this country have long played an important role in, and they still continue to exert influence on, both the private and public educational systems. In recent years these schools have changed a great deal; independent school students represent much more of a cross section of American society than formerly, and they attend a much greater variety of colleges and universities. Once in college, these students (many of whom achieve advanced standing) often find that they are repeating work already done in preparatory school and that college teachers are much less interested in them, and in teaching in general, than they would like.

With these changes in mind, four East Coast prep schools—Andover, Exeter, Hill, and Lawrenceville—have formed a study committee to re-evaluate thoroughly their structure and goals and to look into several ways of reorganizing the schools. One suggestion is the addition of the first two years of college, perhaps by organizing the schools into four-year junior or intermediate colleges (grades eleven through fourteen) that would grant a Bachelor of Arts degree in general education. Graduates would then go directly on to graduate or professional schools or terminate their education. Another possibility is the establishment of a separate junior college attended by graduates of the four schools. A third is the elimination of the twelfth grade and the substitution of a year off for work or service. None of the four schools will be bound by recommendations coming out of the one-year study, but the recommendations are expected to give colleges and universities, as well as the private preparatory schools, a good deal to think about.

Good Counsel for Counselors

Some 1,300,000 students now attend over 800 two-year colleges in this country; in about five years nearly double this number will probably attend more than 1,000 junior colleges. In such characteristics as aptitude, interest, motivation, and economic background junior college students are possibly the most varied of any student group. For most of these students the two years spent in junior college are crucial ones: during this period they make the educational and vocational decisions that can determine the course of their lives. Clearly these colleges have a deep obligation to give their students the best possible educational and vocational guidance.

Unfortunately, a recent study of counseling services in junior colleges, made by the American Association of Junior Colleges (AAJC), shows that guidance programs in most of these colleges are seriously inadequate. The

AAJC study, which Carnegie Corporation financed, recognized that providing adequate guidance to such a diverse group of students is not just a matter of quantitative increase in present services. Under a two-year Corporation grant the AAJC has set up a national consulting service directed by Jane E. Matson, on leave from California State College, Los Angeles, who is now working with consultants scattered throughout the country. Using criteria developed during the diagnostic study, Professor Matson and these consultants are helping new colleges organize counseling programs and advising existing schools.

What's Next? Senior College

At present a significant number of junior college students are deciding to continue their education after graduation; it is clear that in the future even more young people will try transferring to a senior college. Already, how-



ever, many students with two years of college are finding it hard to get into the institutions they choose.

The New York City system of higher education, which includes six junior colleges, has felt this problem acutely. More and more of the students in New York City junior colleges want to go on for further education. But the four-year institutions in the system are already overcrowded, and they cannot handle the growing number of applications for admittance from these students.

To meet this problem, the New York City Board of Higher Education in 1966 established a new institution, Richmond College, on Staten Island. Richmond is an upper division institution admitting juniors and seniors and some graduate students. It is the only one of its kind in a large city (cur-

rently three other such institutions are operating, but all are in much smaller communities). The College opened this fall and already has about 1,000 students, most of them from New York City's two-year colleges. Its growth from a plan on paper to a functioning campus in one year is a near-miracle, all the more so because its planners were determined to organize an experimental institution with a number of pilot instructional programs. A Carnegie Corporation grant, matching a similar fund from the City University of New York, allowed Richmond's faculty and administrative staff, division heads, and consultants to work out their programs last August before the College opened.

Strength in Numbers

New colleges and universities are springing up all over, but, paradoxically, the cornerstone of the American system of higher education—the small liberal arts college—is in serious difficulty as it tries to provide the extensive facilities, the diversified instructional programs, and the lively social and intellectual atmosphere that today's students and faculty want. At the same time, the large universities that can offer these essentials are desperately seeking ways to avoid becoming vast drive-in learning centers where young people come to view knowledge as if it were consumable merchandise. They are aware that the special benefits associated with the small college—individualized instruction, experimentation with curricula, a sense of identification with the institution, among others—are well worth preserving. The problem is how to combine the advantages of the small college with the best characteristics of the large university.

One response to this problem now attracting interest is the cluster concept, which calls for a grouping of several small colleges that share facilities and faculty. Carnegie Corporation this year aided the establishment of two colleges, each of which will, with its parent institutions, form the nucleus of a new college cluster.

One of these institutions, Western Washington State College in Bellingham, has been a leader in exploring new means of providing a good education for an ever increasing student body. Western Washington now has 6,000 students; to avoid growing into too large a campus it is beginning to develop a group of cluster colleges. The first of these, Fairhaven College, will open in September 1968, with about 600 students. Using Carnegie Corporation funds, faculty members at Western Washington are now working with research assistants and consultants to plan an experimental liberal

arts curriculum for Fairhaven. They intend the new college to stand as a model for innovation in state college design.

Following a similar pattern of development, Hamilton College, a small liberal arts college for men in Clinton, New York, will become one of a cluster of colleges during the next decades. The first institution to be added will be Kirkland College, for women, scheduled to begin operations in September 1968.

The last independent women's college founded in the East opened in 1926. Those planning the curriculum for Kirkland College have a great opportunity to break new ground, an opportunity they are taking very seriously. Students who drop out to marry will be able to complete their degrees by correspondence, and gifted students will be allowed to graduate in less than four years by taking comprehensive examinations. Through these and other flexible approaches, Kirkland College hopes to shape itself to the viewpoint, the capacities, and the potentials of modern young women—instead of forcing the women to adapt to educational patterns originally designed solely for men. A Carnegie Corporation grant is covering faculty salaries during periods spent on planning and also travel and consulting expenses.

Claremont Graduate School and University Center, perhaps the oldest example in the United States of the cluster college approach to higher education, received a grant this year for a national conference on the cluster concept. Some thirty persons attended the conference, held at Claremont last spring, to exchange information and views and to define problems of these institutions. The conference proceedings appeared in the October 1967 issue of the *Journal of Higher Education*.

Information, Please

Another means of healthy survival for institutions is through sharing facilities and personnel that a single college alone cannot afford. Colleges and universities in North Carolina this year embarked on such a program, aimed at improving the research and instructional possibilities of all institutions of higher education in the state. The Triangle Universities Computation Center and the North Carolina State Board of Higher Education are offering use of one of the nation's best educational computer centers to all interested institutions in the state for one year free (and after that at a reasonable fee). With terminal facilities on its campus and a telephone hookup with the Center, each institution can take advantage of a service

far too expensive for most institutions to consider individually. Staff members from the Center visit the colleges and universities to consult with faculty and give some instruction in elementary programming, and experts are available at the Center to design special programs and solve any technical difficulties. In addition to promoting use of the computer for the sciences and mathematics, the Center's staff is exploring applications in other disciplines, including the humanities. Carnegie Corporation funds are covering the salaries of the staff members who are training and working with college and university faculties and also the cost of providing one year's minimal remote service to the institutions.

To Each His Own

In the last few years Carnegie Corporation has given financial aid to several programs attempting to deal with the problems of instructing large and diverse groups of students through the development of new teaching methods and materials. One such grant went in 1965 to the University of California at Irvine, a rapidly growing educational center. It helped faculty in the Irvine social sciences division investigate the possibilities of integrating modern technology—most notably, programmed instruction



using the computer, individually controlled films, and programmed texts—with traditional instruction. The aim is to allow each student to instruct himself at the pace suited for him, with faculty intervening only when their help is required.

So far the social sciences division has written and tried out material for several courses with good results. But these materials need improvement and additional courses must be designed. Also, the experts at Irvine feel it

should be possible to design a computer-based self-instructional system that could handle unanticipated responses or questions as well as analyze choices between responses, and they are pursuing research on this idea. Finally, they are planning an evaluation of the program, including its economic efficiency. An additional three-year grant will enable Irvine to continue this project.

A simple, but revolutionary idea is behind an experiment in individualized instruction at Bucknell University in Lewisburg, Pennsylvania. Called the Continuous Progress Program, Bucknell's project rejects the traditional organization of course work, which calls for presenting material to all students at the same rate, even though some students obviously learn more efficiently than others. Under Bucknell's program, instead, students learn at their own rate with the help of individual tutorial sessions, reading lists, films, and programmed instruction; they take examinations when they feel prepared, repeating them if necessary until they achieve a grade of A or B, a requirement for progression to the next level of the course.

So far the Continuous Progress Program, used in philosophy, psychology, and biology courses, has produced significantly higher student motivation and achievement; many students are surprised at their interest in the course work. Concurrently, the faculty involved in the program report that they find this method of teaching very satisfying, for they can be assured that their students will all reach a certain level of achievement, and the individualized tutorial work seems to provide a closer student-teacher relationship than is usual in a traditional classroom. Now Bucknell is expanding the program to religion and physics courses and studying the administrative and financial consequences of making a broad commitment to this approach. It will also produce a report on the experiment for the use of other institutions. Carnegie Corporation has given renewed support for the next three years.

Professional Education: Meeting People's Needs

Carnegie Corporation has long been interested in the relationship between the education of the professional person and society's needs and demands for professional services; and during the past year the Corporation approved a group of grants in engineering, medical education, and training for health-related occupations.

Toward Better Health Care

In the last decade the portion of the Gross National Product going into health and medical care has increased from 4.7 per cent to 6.0 per cent. In spite of this, there is general agreement that many Americans still do not receive adequate medical care.

The issues in health care are numerous and complex, ranging from what services are required, to how they should be provided and by whom, to the question of who should pay the bills. One thing is clear, however: today, university medical schools are a major factor in the nation's health. They educate the nation's doctors; and, along with colleges and junior colleges, they have some responsibility for training nurses, laboratory technicians, and supporting personnel. They conduct much of the basic research that leads to advancement in medical knowledge, and they administer medical facilities that not only give doctors and nurses their apprenticeship experience, but also provide yearly services to hundreds of thousands of patients.

Last year, with joint funding by Carnegie Corporation and the Commonwealth Fund, a group headed by Dr. Robert Aldrich of the University of Washington School of Medicine considered the possibility of setting up a national committee to keep under review on a broad basis the relationship between delivery of health care and medical education. This exploration

revealed a task of such dimensions that it did not seem feasible for the two foundations to proceed with the committee; rather, an examination of selected and more narrowly defined aspects both of medical education and the delivery of health care through a variety of approaches seemed more promising.

Under a grant from the Corporation to Massachusetts General Hospital, some forty medical school and hospital authorities met last April to consider how graduate education in medicine might be made more flexible and, perhaps, even shortened. At this meeting participants stressed the crucial importance of the financial aspects of graduate education. One result of the meeting has been a series of discussions arranged by the New York University School of Medicine on the problems of financing the responsibilities of medical schools in education, research, and service. Both the Commonwealth Fund and Carnegie Corporation made grants for this series.

An area of growing concern to the medical schools is the provision of health care in low-income areas. The development of new approaches to this problem was the subject of a meeting last June, jointly supported by Carnegie Corporation and the Commonwealth Fund. Directors of neighborhood health centers (now largely financed by government funds) and representatives of medical schools and teaching hospitals discussed various aspects of the center idea, which as it spreads will have far-reaching implications both for American medicine and medical education.

Good health services require not only enough well-trained doctors but also adequate and reliable supporting personnel. Indispensable among the



latter is the laboratory technician. Most laboratory technicians receive their training in a hospital, junior college, or a commercial school. Unfortunately, no enforced standards regulate the training given to laboratory technicians; in fact, there is not even a consensus on what they need to know. The seriousness of this situation is indicated by the fact that, according to a recent national survey by the Public Health Service, over 25 per cent of all laboratory tests are inaccurate.

Since last summer, Dr. Robert Alway, a former dean of the Stanford University Medical School and now a professor of pediatrics there, has been studying current practices and will make recommendations about standards of training for medical laboratory technical personnel. This study is financed by the Corporation.

Building Society's Builders

As cities grow upward and outward, as highways proliferate, as our surroundings grow increasingly man-made, the engineer takes on a greater and greater importance—not only because he is needed to bring about these changes, but also because he often determines what form they take and what happens to people in the process. If an engineer's design for a bridge requires demolishing an urban area that houses a few thousand people, he is dealing with human beings as well as with inanimate materials. And his education should equip him for both kinds of responsibilities by exposing him to studies relating to men and societies as well as to technical training.

Carnegie Corporation has already supported one study of the liberal arts in engineering education, made eleven years ago. The intervening period has seen significant changes in engineering education, in the liberal arts and social sciences curricula, and in the importance of what the engineer does.

This year, with Corporation support, the American Society for Engineering Education (ASEE) has undertaken another study of the role the humanities and social sciences should play in engineering education. Sterling P. Olmsted, chairman of the department of language and literature at Rensselaer Polytechnic Institute, is directing the study with the help of a five-man steering committee of the ASEE as well as educational leaders outside the engineering field. The study will result in a report containing recommendations on appropriate curricula in the humanities and social sciences for engineers and giving guidelines for their implementation.

Research and Learning: To Think, To Try, To Share

Having an idea is not enough. The human mind must see, feel, test, and, finally, share what it conceives. The specialist's desire to pursue his ideas stems from more than society's need for additional information—it stems also from the thinker's own appetite for exploration. Remove that appetite, or the possibility of indulging it, and the educational structure would lose its nerves and blood.

This year Carnegie Corporation made sizable grants to two institutions that are major supporters of significant research activity. It also granted funds to support research projects in two related areas of special interest to the Corporation: understanding the processes by which we think and learn, and improving curricula in the schools.

Voice for the Humanities

In the absence of national (state-supported) academies like those long-established in Europe, a nongovernmental organization, the American Council of Learned Societies (ACLS), has had major responsibility for encouraging scholarly efforts in the social sciences and the humanities in the United States. Even with the recent establishment of the National Endowment for the Humanities, American scholars will continue to look to the ACLS for representation and support.

The ACLS, founded in 1920 to represent Americans in the international scholarly community, now comprises thirty-two national organizations concerned with the humanities and the social sciences. Its contribution is three-fold: it represents American scholars abroad; it is one of the leading

spokesman for the humanities in this country, maintaining close relations with American universities and governmental agencies; and it provides funds for research and study fellowships, as well as grants-in-aid, to advance learning in the humanities and the social sciences.

For a five-year period beginning last July, Carnegie Corporation is continuing to provide funds to the Council to help it cover both general expenses and the cost of its fellowship program.

New Home for the Social Sciences

The scholar pursuing his chosen path of inquiry can have two requirements that seem conflicting: he has to “get away from it all,” and at the same time he may need to work with other scholars. If he is teaching at Harvard, for example, and he wants to collaborate with a colleague at Berkeley, he has an obvious problem of distance; what is not so obvious is that, modern universities being as complex as they are, he may find it almost as difficult to work with a faculty member in a different department of his own university. Thus, to carry on joint research he has to solve problems of both geographic and organizational distance.

The Institute for Advanced Study in Princeton, New Jersey, founded in 1930, meets this problem by providing a setting in which scholars from many disciplines can work alone or together free from the strains and organizational obstacles of the university. The Institute maintains three permanent “faculties” of scholars from many countries in the fields of pure mathematics, theoretical physics and astrophysics, and historical studies. It also invites visiting senior and junior fellows from other institutions for one or, occasionally, two years, providing them with housing, facilities for research and post-doctoral study, and association with some of the world’s leading scholars.

Next fall the Institute will start a three-year trial program in the social sciences. Financed by grants from Carnegie Corporation and the Russell Sage Foundation, the program will bring senior and junior fellows in political science, economics, sociology, anthropology, and psychology to the Institute. The program’s focus will be on the forces that shape change in society, an area of study now receiving much attention from social scientists. Recent years have seen very intense efforts by scholars from many disciplines to understand and describe the dynamics of new societies. Carl Kaysen, an economist who is director of the Institute, and other social scientists believe that the technique these scholars have developed can now

form the basis for a larger study of older societies and of historical as well as contemporary cases.

The Baby Watchers

Most people who scrutinize a baby are wondering which member of the family he resembles most. A small group of developmental child psychologists who are spending a good deal of time looking at other people's babies, instead, have a different purpose: they are seeking information about how human beings learn.

Jerome Kagan, professor of developmental psychology at Harvard University, is one of these baby watchers. By testing infants and very young children he has discovered definite relationships between certain behavioral characteristics revealed in infancy (for example, the child's tendency to be "impulsive" or "reflective" in his approach to various activities) and the rate and amount of learning exhibited at ages two and three. His research already shows that children differ considerably in the way they learn and that some of these differences are related to social class. The implication of his work so far is that teaching methods now in use need to be made more flexible if they are to serve all children equally well.

With help from the Corporation, Mr. Kagan is taking this year off from his university responsibilities to integrate and summarize the data he has collected during two longitudinal studies involving a total of 234 children. He is also writing a monograph that relates what is now known about child development to educational practice.

At Yale University, professor of psychology William Kessen has been examining another aspect of learning: the enjoyment it brings to the learner. Why does one student in a classroom enjoy listening to a given lecture while another is very bored by it?

Mr. Kessen's hypothesis, already supported by some evidence, is that each person has his own preferred level of "environmental uncertainty," and when a learning experience falls within this level the learner finds it enjoyable. If, for an example, a teacher says that man is descended from the apes, some students may yawn (this idea is already old hat to them), some may be very interested (the idea is new, exciting, but not shocking), and some may be outraged (the idea is totally unacceptable). Only when the student is able to adapt his way of thinking comfortably to the new information does he enjoy himself; this enjoyment then becomes the intrinsic

reward that spurs him to learn. Mr. Kessen, whose research so far has been carried out primarily with infants, received funds from Carnegie Corporation this year to continue his studies of environmental uncertainty and its relationship to learning.

"How Do You Do? My Name Is 360."

A researcher today is often engaged in a dual endeavor. He seeks answers to important questions in his field; at the same time, by exploring new techniques and their applications, he provides means of exploration which may be valuable to researchers in disciplines other than his own.

Robert P. Abelson, a professor of psychology at Yale, is working to find out more about why people have certain attitudes and beliefs and why one given attitude or belief does or does not indicate the existence of another given attitude or belief. He thinks that a computer might be able to do a good deal of the arduous work involved in gathering and analyzing the information he needs. Analyzing information is nothing new for the computer, but gathering it in this case is—because the source of this information is a face-to-face interview. This does not bother Mr. Abelson, who hopes that by "teaching" the machine what to expect as well as what questions to ask, and by training the respondent how to frame his answers, he will be able to benefit from what he calls "automated interviewing." Carnegie Corporation is providing support for this project.

So far man has found it easier to design sophisticated information-processing devices than to understand exactly what information is and how his own nervous system processes it. At the California Institute of Technology scientists are now using these man-made devices, plus advanced techniques developed by linguists and biologists, in an experimental study of living nervous systems. Their eventual aim is to understand how man receives information from his environment and translates it into thought and action, an understanding that has important implications for educational theory and practice. Carnegie Corporation supported the beginning of this large research project two years ago; this year it provided a four-year grant to help continue the program.

Lesson Number One: How To Learn

Educators have some pragmatic evidence about the relationship between instructional techniques and learning for children about age six and older. But the demand for increased intellectual stimulation in the pre-

school years has far outrun the supply of basic knowledge required to build instructional programs at this level.

Researchers like Jerome Kagan and William Kessen are helping to supply some of this critically needed knowledge. So is a child psychologist, Herbert A. Sprigle, in Jacksonville, Florida. The difference between his efforts and theirs is that Mr. Sprigle's laboratory is also a school. He believes that before they can learn, children must be taught *how* to learn; accordingly, he has called his school the Learning To Learn School. There he has been trying out a series of programmed games designed to teach five- and six-year-olds of different abilities certain cognitive and physical skills that, he believes, constitute an important preparation for later schooling.

With funds from Carnegie Corporation, Mr. Sprigle worked with twenty-four kindergarten-aged children in his school during the 1966-67 academic year; this winter the same group is being taught under his guidance in a public school first-grade classroom. (One criticism of innovative preschool programs is that their effect is lost on children who enter schools where traditional curricula are used; by keeping his experimental group together through the first and second grades, Mr. Sprigle hopes to learn something about this phenomenon.) Faculty from the University of Florida are measuring the children's progress against their initial test scores and against those of control groups; they will follow the children through second grade. Results so far seem to indicate that Mr. Sprigle's methods significantly increase the pupils' ability to learn and also their confidence that they can learn, and that these methods are more suited to teaching a group widely varied in ability than are traditional methods.

Running and Evolving a Democracy

Most people associate enormous growth with the federal level of government, but actually (if defense-related activities are excluded) both expenditures and employment have risen much more rapidly in the last decades at the *state* level than at the federal. In fact, the federal government is now channeling a great deal of its spending through state governmental units; federal grants-in-aid to state governments now constitute about 20 per cent of all state revenue.

It is hard, however, to explain how state governments function at all, given not only the problems they must solve but also the limitations they must work under. Currently, a severe limitation is the outmoded structure of many state constitutions. When a state constitution has 350 amendments (as does California's) it is clearly somewhat anachronistic. Constitutional change now seems to be the order of the day as more and more states organize constitutional conventions.

"Statesmen," "Marginals," and "Reformers"

Last year Carnegie Corporation financed a study of the Rhode Island constitutional convention made by Elmer E. Cornwell, Jr., chairman of Brown University's political science department. Professor Cornwell was testing several hypotheses about constitutional conventions, one of which was that the delegates in a convention can be identified a priori as types of "behavioral units" (to these types he gave the colorful names of Stand-patters, Stand-ins, Aspirants, Chieftains, Statesmen, Marginals, and Reformers). Professor Cornwell feels that his findings on the Rhode Island convention support his hypotheses, but he needs comparative data to see if they are really useful; therefore, he is studying the recent conventions held

in New York and Maryland, applying the systematic empirical techniques he had previously developed.

Professor Cornwell has also joined in a cooperative venture with the National Municipal League in New York City, a research organization dedicated to improving local, municipal, and state government. The League is initiating a series of case studies and reports on past conventions and sponsoring collection of additional material on upcoming conventions.

Professor Cornwell's findings and the information developed through the League's research will provide the raw material for an information service on constitutional conventions to assist groups in the states who are involved in preparing for conventions. A three-year Corporation grant is financing this project.

Shared Study of Shared Problems

Although the states are incredibly diverse in such measures as size, population, resources, degree of urbanization, and national representation per capita, they do face many common problems. Finding ways to bring the states together in cooperative efforts to work out these shared problems has been a major interest of Carnegie Corporation for several years.

As part of this program, the Corporation helped finance "A Study of American States," a two-year project conducted by former Governor of North Carolina Terry Sanford primarily with Ford Foundation funds. This study led Governor Sanford to believe that the states should band together to investigate the important problems they share. He has recommended establishing a panel of political, academic, and lay members which would identify these problems and create ad hoc "institutes." These "institutes," under the leadership of a former governor or other experienced political leader, would last about two years, and would use the resources of a university in formulating proposed solutions to state problems.

To test this plan, Carnegie Corporation this year granted funds for the establishment of one such institute, the Institute on State Programming for the 70's. With former Governor Jack M. Campbell of New Mexico at its head, this organization is exploring the much-neglected subject of planning on the state level. The question at issue is whether the states can summon the techniques of the space age to set overall goals and to provide what Governor Sanford calls a "guidance system" for their development. They hope to enlist the interest of private industries in the aerospace, computer, and communications fields in this endeavor. The University of

North Carolina is host to the Institute, and faculty from several of the University's departments are working with it. A fifteen-man board composed of governors, former governors, legislators, and prominent citizens serve as an advisory board.

Another group already working on state problems, the Council of State Governments, located in Chicago, also received Corporation funds this year. Among other responsibilities, the Council serves as secretariat to the National Governors' Conference; last year the Conference established several ad hoc committees, staffed with people having special competence in each field, to consider four of the most important problems facing the states. The Ford Foundation financed two of these committees, on revenues and on constitutional reform. Carnegie Corporation financed those on state-urban relations and on relations between state and local governments and their employees.

The committee on state-urban relations, with Governor Richard J. Hughes of New Jersey as chairman and Governor Warren P. Knowles of Wisconsin as vice chairman, studied how state governments, which have been accused of ignoring their cities' needs, can help ameliorate some of the problems of urban areas. In its final report to the Conference, written against the background of very serious summer disturbances in many cities, the committee recommended how state and federal agencies could cooperate in dealing with urban problems, and indicated necessary changes in the states' administrative capabilities and in federal-state fiscal ar-



rangements. The report, *The States and Urban Problems*, was presented in October 1967.

The task force studying state and local government labor relations, a subcommittee of the Governors' Conference Executive Committee, was headed by Governor Hulett C. Smith of West Virginia. As more and more public employees—teachers, policemen, firemen, welfare workers—become unionized, state and local governments are facing labor relations problems for which they lack adequate laws and precedents. In a preliminary report made last October, the task force discussed such issues as public employee strikes, the areas subject to public employee collective bargaining, and the kind of laws and administrative machinery required to meet the problems.

Education Commission of the States

Another project designed to bring the states together to study shared problems, the Education Commission of the States, is only two years old and already has a membership of thirty-nine states and territories. The Commission is composed of seven-man delegations from each member state; these include the governor, two legislators, and four persons from education. It provides a forum for the development of alternative public policies toward educational issues, serves as a vehicle for communication between educators and politicians, makes available information on all levels of education to the states, and facilitates cooperation among the states on educational matters. The full Commission meets once yearly; its steering committee, currently with Governor Calvin L. Rampton of Utah as chairman and Fred H. Harrington, president of the University of Wisconsin, as vice chairman, meets quarterly to review operations and suggest new activities. Carnegie Corporation and the Danforth Foundation this year granted further funds to support the Commission until 1968, when it is expected that member states' contributions will cover its operating costs.

Cities Under Pressure

"Many cities—the same problem—different reactions." This is the puzzling situation social scientists at the National Opinion Research Center (NORC), affiliated with the University of Chicago, will explore during a two-year study of 104 cities. The problem is the drive for school desegregation in Northern cities; the question is: Why do these cities evidence such a wide variety of responses?

Robert L. Crain, senior study director of NORC, and James J. Vanecko, a sociologist at the University of Illinois (Chicago Circle Campus), will direct the study in collaboration with Peter H. Rossi, chairman of the department of social relations at Johns Hopkins University. They will investigate, through interviews and secondary sources, what kinds of groups are pressuring for integration and what their goals are, how school boards and school administrations are structured and what attitudes they show, and how negotiations between civil rights groups and school systems are handled.

The aim will be to gather information on what is happening in the drive to break down de facto segregation (the study directors are aware that frustration and conflict make news, while solid steady progress often does not), and to determine how variations in these three factors are related to such characteristics of the cities as their social structure, population composition, and political "style." As part of the project, the study directors expect to compile information on how school systems are governed. The project is financed by the Corporation.

The View From Out There

This year Carnegie Corporation financed two studies of important governmental responsibilities and the way they are being and might be met.

At the Brookings Institution Gilbert Y. Steiner, a political scientist with broad experience in both federal and state government, is examining the maze of programs, loosely called "public welfare," that seek to provide income or equivalent funds to the poor. Thinking about these programs has recently been stimulated by several proposals for varying forms of "guaranteed income" and "negative income tax." Public welfare involves all levels of government; the jurisdiction governing it is very complex; and it evidences a complicated history of influence by vested interests and by doctrine. Mr. Steiner is analyzing the political environment within which public welfare operates. He will also propose means of organizing a more efficient total welfare program.

Christopher Jencks, a sociologist at the Institute for Policy Studies in Washington, D. C., is studying the American system of public schooling. Formal education, Mr. Jencks suggests, may not be capable of doing everything we expect it to. And by continuing to look to education to solve social problems, he feels, we arouse expectations of improvement that, when they

are disappointed, produce bitterness and frustration. To test this hypothesis, Mr. Jencks is reviewing what psychologists, sociologists, and economists see as the effects of formal education.

Counting the "Invisible" People

The 1960 Census probably failed to count an estimated 10 per cent of American Negroes as a group, and perhaps one in every six young Negro men. Puerto Ricans, Mexican-Americans, and other minority groups were quite probably also undercounted.

Article I, Section 3, of the American Constitution provides for the enumeration once each ten years of *all* residents of the United States. Census figures constitute the basis for representation in the House of Representatives. They are also used for allocating public funds in many government programs aimed at certain areas and population groups. Thus, a man belonging to a significantly undercounted group living in a concentrated area could claim that he had been deprived of his Constitutional right to equal representation and to equal protection of the laws. The gap in enumeration and its implications were the subjects of a conference on "social statistics and the city" held in Washington, D. C., last June, with Corporation funds, under the sponsorship of the Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University. The fifty-seven conference participants, who included social scientists, government officials, university professors, and civil rights leaders, drew up a list of recommendations for improving the next Census.

International Affairs

In the area of international studies and international relations Carnegie Corporation granted funds this year to a variety of projects and groups.

Education and World Affairs

Since 1962 a policy-oriented organization called Education and World Affairs (EWA) has been helping American institutions of higher education define their involvement in all facets of international affairs so they can use their resources as wisely and efficiently as possible. EWA has also worked to foster communication between these institutions and the United States government on matters of mutual interest in the international area. As part of its mission it has helped the colleges improve their curricula in international affairs, conducted studies to highlight problems in international education, and sponsored conferences to bring people together to discuss these problems. EWA has been an important influence on policy information vis-à-vis the federal government, and it played a major role in shaping the International Education Act of 1966.

EWA was founded with grants, and is still receiving basic support, from Carnegie Corporation and the Ford Foundation; now about 50 per cent of its budget is in the form of contracts with the federal government for advice and consultation. In recognition of the increasingly important role it will play in coming years, Carnegie Corporation gave EWA a five-year grant this year.

The Student Who Came to Dinner

According to a report issued by the Institute of International Education last summer, at least 13,000 of the 100,000 foreign students now in the United States plan to stay in this country as permanent residents after graduation. A good many of the students who stay will be from developing nations that desperately need their expertise.

The continuing loss of skilled manpower raises questions about current educational policy and the arrangements under which these students go abroad for education. But those who wish to determine the most effective means for a developing nation to ensure itself of the cadres of trained personnel it requires find themselves facing many subtle and complex problems. What is needed now is a hard assessment of the cost and benefits to the developing nations of foreign study and of alternative means for training personnel. With Carnegie Corporation funds, scholars at the Comparative Education Center of the University of Chicago and the Institute for Research on Human Resources of the Pennsylvania State University began this year to lay foundations for such an effort. They are reviewing all available data on the contribution of foreign university training to educa-



tional and social development and planning a comprehensive study to produce answers on this subject.

New Ways To Look Through Curtains

It now makes about as much sense for an American to speak of the "Communist bloc" as it does for a Russian, Yugoslav, or Chinese to speak of the "capitalist bloc." These days, in fact, it is hard enough simply to define the brand of Communism found in any one country.

Scholars are tending more and more to think that the most useful approach to understanding those countries whose forms of government can be called "Communist"—as well as the many important Communist parties that flourish in countries with non-Communist forms of government—is probably a comparative one. In a comparative study experts on two countries that share many characteristics (two middle European

nations with Communist forms of government, for example) might work together to analyze in what respects important institutions in these nations are similar and in what respects they differ. In this way they could hope to isolate important variables and trace their effects on the society.

Looking at Communist nations and parties from a comparative viewpoint is a relatively new idea. Last year the American Council of Learned Societies (ACLS), with Corporation funds, held a small conference on the state of the art. The conference showed that the comparative approach is as yet only poorly defined, and that it is beset with problems of communication among interested scholars who are specialists in different approaches and different areas. At the same time, as one observer of this and other gatherings put it, "there was a consensus approaching unanimity that comparative studies constituted a particularly promising means for understanding Communism."

This year Carnegie Corporation has given the ACLS a more substantial grant, spread over a three-year period, to finance the work of an ad hoc planning and development group for comparative Communist studies. The group, made up of leading scholars in relevant fields, will work on problems of communications between areas of scholarship—for example, applied linguistics, area studies, comparative politics—that have much to contribute to comparative studies. It will help develop necessary research facilities, support research projects, and encourage the training of scholars in individual colleges and universities.

Five institutions in the Pittsburgh area—the University of Pittsburgh, Carnegie-Mellon University, Duquesne University, Chatham College, and Mt. Mercy College—are developing a cooperative, experimental program in comparative studies, which received a three-year grant from the Corporation this year. One interesting feature of the program is that it combines advanced research with undergraduate teaching and curriculum development. Beginning in January 1968 the scholars involved—experts on China, the Soviet Union, Eastern Europe, and Latin America—will offer a series of courses built around the comparative study of Communist political and economic systems, and comparative Marxist ideology. The courses will each be taught by more than one professor, and they will be open to students from all five institutions. In addition, six to eight scholars from other universities, American and foreign, will be invited to participate in research conferences on important topics in comparative Communist studies. Development of teaching materials for the courses and of papers

for the conferences will, it is hoped, expand the body of literature on comparative Communist studies.

Elites and Interest Groups

Columbia University this year embarked on a major three-year project which has as its aim both original research in comparative Communist studies and the training of graduate students in a comparative approach. Some of the academic world's leading experts on Communist governments and societies are involved in planning and carrying out this project.

The Columbia project involves study of elites and interest groups in a number of Communist nations, including the Soviet Union, Yugoslavia, China¹, Poland, and others, as well as the leadership of nonruling Communist parties in Western Europe and Asia. It has become evident, in recent years, that behind the facade of "monolithic unity" in Communist systems many groups and individuals compete for influence and strive to affect policy formulation and implementation. The Columbia University scholars intend to explore who these elites are and how they work.

Political power is the subject of a study, financed by the Corporation, of how citizens participate in American political life between elections. The study is part of a larger examination, with headquarters at Stanford University, of political development in the United States and in four non-European countries. The entire effort is under the overall, cooperative management of a group of American scholars and foreign scholars from non-European countries.² It is hoped that involving foreign scholars in analysis of the American system will help adjust the currently unequal "balance of study" whereby more Americans have gone abroad to study foreign systems than vice versa. The study design calls for the National Opinion Research Center to conduct some 3,000 interviews and for social scientists at Stanford to analyze the results. The analysts will try to determine who the politically active citizen is, what his politically related actions are, and what effects they have. It will also investigate those who are politically inactive and why.

The other side of the political coin, the political leader, has recently attracted much attention as a subject of study from a diverse group of

¹ The study of Chinese leadership is being financed from other sources, but will be integrated with the research described here.

² Two other cooperative projects involving American and foreign scholars are discussed on pages 63-65.

scholars including political scientists, historians, social psychologists, psychiatrists, anthropologists, and economists. Some twenty-five of these scholars came together at a working conference on the psychology and politics of leadership this fall under the sponsorship of the Institute of War and Peace Studies of Columbia University and the American Academy of Arts and Sciences. There they explored ways in which their concerns and methods of study overlap or complement each other. Papers presented at the conference will appear in a special issue of *Daedalus*, the journal of the American Academy of Arts and Sciences, and extended versions of these papers will constitute a book to be published by Houghton Mifflin Company. Grants from Carnegie Corporation and the W. K. Kellogg Foundation covered the conference expenses.

A World View

The World Law Fund is an organization of scholars and other interested persons devoted to promoting discussion of and education about possibilities for achieving a form of world order that would eliminate international wars. As part of its program it has been publishing a series of volumes collectively titled *The Strategy of World Order* by Richard A. Falk, Albert G. Milbank Professor of International Law and Practice at Princeton University, and Saul H. Mendlovitz, professor of international law at Rutgers University. The first four volumes have already gone far toward establishing a new discipline of study built around problems of achieving world order. This year the Corporation gave funds to allow Mr. Falk and Mr. Mendlovitz to write the two final volumes of the series: one on regionalism and world order and the other on the individual and world order.

Richard Gardner, professor of law and international relations at Columbia University and former Deputy Assistant Secretary of State for International Organizations, is another scholar concerned with problems of governing the world some decades hence. He is spending the 1967-68 academic year, on leave from his teaching duties, writing a book on the kinds of international institutions required to resolve conflicts that could lead to war, promote economic development in the less-developed nations, and handle other major problems of long-term and worldwide importance.

The Commonwealth Program

Universities in the Commonwealth countries of Africa are now in an intermediate phase in their growth toward intellectual independence. They came into being to provide higher education locally for Africans whose only opportunity hitherto had been to go abroad. Initially, these institutions were headed and very largely staffed by expatriates from the United Kingdom, and later from continental Europe and North America. With political independence and the growth of educational opportunities, African scholars have increasingly assumed positions of leadership in the universities, which are on their way to becoming true centers of African intellectual life.

This trend is not just an expression of nationalistic pride, but reflects a well-founded belief that educational processes cannot be exported intact with good results, that in the end a nation must itself develop the educational system that suits it best. At the same time, Western universities have begun to realize that in many fields the work done by new teaching and research centers in other parts of the world can broaden and deepen their own basic knowledge. The Western contribution in inspiration and techniques will remain crucial for many years and therefore relationships, formal and informal, between universities in Africa and abroad should have continuing and, indeed, increasing significance. This will be true to the extent that they involve a genuine partnership and a training component which assures the development of indigenous teachers and researchers.

In this context, Carnegie Corporation has given support this year to two major cooperative programs involving American and African institutions. The specific area of study involved—human development, with emphasis on the growth of young children—is one particularly suited to this phase.

Some psychologists have become concerned about the fact that psychology is a Western, and in some ways an American, discipline, and that the texts used in child development courses taken by teachers and researchers in other parts of the world are based on Western experience. It may be (nobody is sure) that children in non-Western societies think and learn quite differently from the Western children who have been the subjects of most studies to date. If this is the case, a developing nation where Western institutions have been imposed on local ones would provide opportunities to study not only the patterns native to that nation, but also the effects of this superimposition and the mixture it creates.

Under one of these grants, Syracuse University and Makerere University College in Uganda are cooperating in a program that will give the Syracuse



graduate psychology department continuing opportunities for cross-cultural research in Africa, build Makerere's capacity to train Africans in this field, and develop research findings of value to those responsible for curriculum development and teacher training in Uganda. During the 1967-68 academic year two senior psychology professors from the United States—Marshall H. Segall of Syracuse, who is the program's director, and Dee W. Norton of the University of Iowa—are in residence at Makerere; they will be replaced by one senior American psychologist in the second and third years of the program. Makerere is recruiting an additional psychologist for its permanent staff. During the three-year period of the grant Makerere University College will develop a degree program in social psychology. At the same time, at least two African graduate students should earn doctorates in the Syracuse psychology department, and three American graduate students will spend a year or two doing research at Makerere. The

research will focus on behavioral phenomena relevant to social development such as cognitive growth, motivation, values and attitudes, and child-rearing practices; it will be carried out in such settings as classrooms, nursery schools, community centers, health clinics, and both urban and rural residence centers. All research will be planned in close cooperation with the National Institute of Education and the East African Institute of Social Research, both at Makerere.

The other grant links Harvard University and University College, Nairobi, in Kenya, in a second three-year cooperative program in child development. Two years ago a Corporation grant allowed scholars associated with Harvard University to explore the possibility of a long-term program of research and training in comparative human development in Africa; the Harvard-Nairobi program is one result of this earlier grant. The present program establishes a research unit under the direction of Harvard anthropologist John W. M. Whiting as part of the African institution's Department of Education. This unit is running several continuing community studies in different tribal areas in Kenya. For the next three years the studies will be manned by a senior field director from an American university and American graduate students; ultimately local staff will take over. The students are now collecting basic ethnographic and census data as a foundation for investigations of child-rearing patterns and children's cognitive and personality development. The Harvard personnel have been recruiting students at Nairobi as research assistants, and some of these will go to Harvard for graduate training. Like the Syracuse-Makerere program described above, the Harvard-Nairobi project will work closely with those responsible for the country's educational development; in addition the unit will run a seminar at Nairobi for all interested parties on implications of the research for educational policy.

Institutes of Education: Success Means Growth

The institutes of education in many African universities are modeled on a British device for linking universities to secondary schools and to the primary school system and its training colleges. In Africa the institutes are beginning to take on additional functions and unique characteristics as they adapt themselves to the special needs of their constituencies.

These bodies set standards for the teaching profession, assist and coordinate other teacher-training activities, provide in-service education for teachers, develop and experiment with curricula, and carry on educational

research. They have strong ties both with the university to which they are attached and to the governmental bodies responsible for the nation's educational system.

Carnegie Corporation has placed great emphasis on helping the African universities build and strengthen their institutes of education (or schools or departments of education playing similar roles); since 1960 the Corporation has appropriated over \$3 million for this purpose. Thus, the announcement of further grants of this kind this year does not mark a startling innovation. But it is significant that since their founding the institutes of education have come far toward fulfilling their stated goals, and whereas the earlier grants provided base funds for initial operations, recent grants have tended to support the kinds of developmental activities in which vital universities are constantly engaged. In 1964 the Corporation granted funds to help the University of East Africa staff institutes of education at its three constituent colleges: at Makerere, Dar es Salaam, and Nairobi. As a consequence institutes grew rapidly at the first two and a teaching department, which had not hitherto existed, was developed in Nairobi, where institute activities had been established under the Ministry of Education. In the case of Makerere University College growth of staff and services has surpassed provision of space to house them. Lack of space hampers the Institute's plans for expanding its curriculum development and teacher retraining programs, both of which have already provided extremely valuable services to the educational community. The Uganda government is supporting these activities to an increasing degree but cannot at this point give the Institute the capital required for building because of the pressing need to construct new secondary schools. A Corporation grant this year will allow Makerere to expand the physical facilities of the National Institute of Education—specifically, to provide a library, office space, and staff housing—and to add a specialist in audio-visual aides.

In Tanzania a further grant was made this year for staff of the Institute of Education at Dar es Salaam concerned with the organization of in-service and up-grading courses for elementary and secondary school teachers and for provision of teaching aids and materials to the schools. In addition, the Dar es Salaam Institute of Education received funds to allow it to develop over three years a pioneering program in educational administration. As more and more Africans have been taking over administrative posts in the schools or the ministries of education, the need for on-the-spot training in administrative practices has been growing. Until

now, training programs have been exclusively concerned with the classroom teacher. This year, however, the Institute is beginning to experiment with short courses for experienced teachers about to assume administrative responsibilities, and a post-graduate course designed to produce professional administrators. The Corporation grant has made possible the appointment of an American specialist in this field to direct the program and the acquisition of relevant materials for the Institute's library. Since Dar es Salaam, like Makerere, suffers from a severe shortage of space, the grant also covers the costs of constructing additional staff housing.

A grant to the University of Botswana, Lesotho, and Swaziland, in Lesotho, is likewise aimed at expanding a successful program which received earlier Corporation support. In 1965 Carnegie Corporation helped the University appoint an educator to conduct special training courses for secondary school teachers and tutors from teacher-training colleges. A review commission studying the University's programs has now recommended that the School of Education greatly increase the scope of this program and in particular its services to Botswana and Swaziland, each about 500 miles from the University's campus and both in great need of educational development. The new Corporation grant will allow the University to station permanent representatives of the School of Education in these two countries. These staff members will conduct in-service training courses for secondary school teachers, establish education information and materials centers, and maintain liaison between the University and the local Ministries of Education.

And in the Caribbean . . .

A thriving institute of education at the University of the West Indies, whose main campus is in Jamaica, received a grant this year to carry out, and especially to evaluate, an imaginative program in primary school education. The situation in West Indian primary education is one common to educational systems in many of the developing nations. The problems are the classical ones: untrained and undertrained teachers, overcrowded classrooms, inadequate instructional materials, and rigid organizational patterns. The task of providing better trained teachers and more adequate facilities is just beginning and will take years.

Under such limitations, some reformers are tempted to hope that recent technological innovations in education may provide an immediate answer. The staff at the University's Institute of Education believes that such hopes

may not be fully warranted without some basic changes in the use of available human resources. The program they have designed calls for disrupting the "class by class" arrangement under which one "grade" teacher struggles on her own to teach all subjects to a group of students. Teachers can concentrate their teaching on subjects in which they are most proficient and inexperienced teachers receive help in planning their lessons in the basic subjects. Some Caribbean schools are already trying out all or various aspects of this plan, but the Institute wants solid answers to solid questions about its effectiveness. Next year, therefore, it will initiate pilot projects in about six schools in Trinidad and Grenada. These projects will be closely tied to the teacher-training college, and, over the next three years, the Institute's staff will be busy evaluating the projects to find answers that should have relevance not only for the schools but also for teacher training. Carnegie Corporation gave the University's Institute of Education a grant for this project.

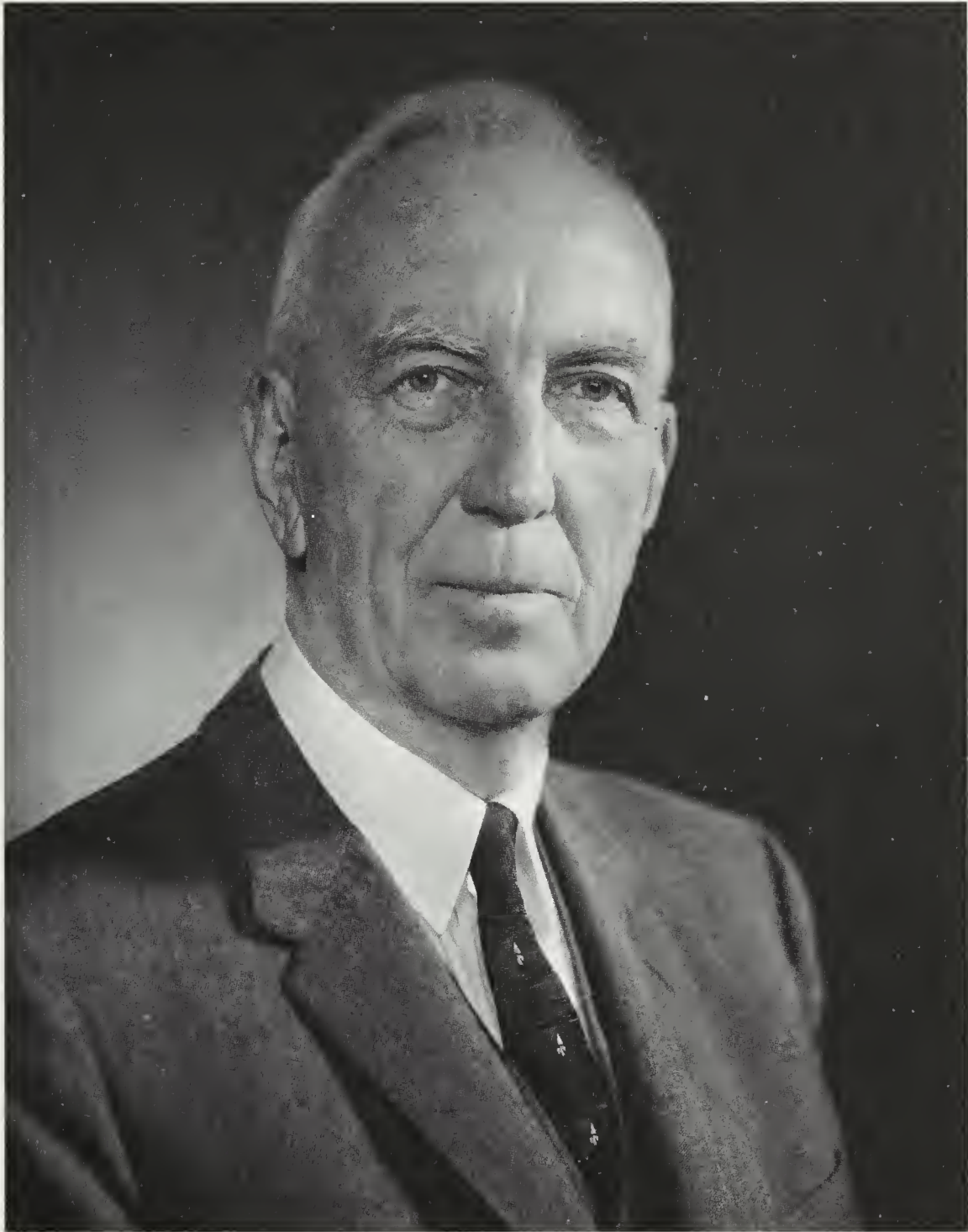
In 1966 the coming of independence to Guyana, the only English-speaking country in South America, brought a new spurt of growth to its University, which was founded in 1963. This institution, like the African universities and its distant neighbor, the University of the West Indies, plans to play an important role in teacher training; most of its degree students will probably study to become teachers. The University has already appointed an experienced professor of education, Shirley Gordon, who comes from eleven years on the faculty of the University of the West Indies. Miss Gordon began her formal teaching activities this fall, but a Corporation grant allowed her to spend the previous six months planning courses and making arrangements with the Ministry of Education for a program of in-service training activities.

The staff of the University of Guyana are naturally anxious to keep in touch with their colleagues at the University of the West Indies, and Carnegie Corporation this year gave the University another grant to provide funds to be used over a two-year period for this purpose. The grant will enable staff from Guyana to travel to the campus of the University of the West Indies in Jamaica and its branches in Trinidad and Barbados; it may also be used to bring staff from the University of the West Indies to Georgetown as consultants.

The Corporation's travel grant program was continued during 1966-67. A list of the forty-eight grantees for the year, showing their positions and reasons for travel, appears on pages 96-98.

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FABIAN BACHRACH

MORRIS HADLEY
Chairman of the Board
1955 – 1966



JOHN W. GARDNER

President

1955 – 1967

From the Corporation's Journal

JOHN W. GARDNER submitted his resignation as president of Carnegie Corporation on April 18, 1967, and at the meeting of the board on May 18, 1967, the trustees appointed Alan Pifer president. Mr. Gardner had been given a leave of absence in August 1965, to serve as Secretary of Health, Education, and Welfare, and Mr. Pifer had been acting president since that time.

Mr. Gardner, who joined the Corporation staff in 1946, had been president since 1955. His imagination, sound judgment, and intellectual leadership assured the foundation a position of influence and respect throughout the country, while his qualities of heart and character endeared him to all his colleagues.

To continue Mr. Gardner's affiliation with the Corporation, the trustees asked him to serve as a consultant whenever he should leave the Cabinet and appointed him a "consultant-on-leave" in the interim.

Mr. Pifer came to Carnegie Corporation in 1953 after serving for five years as executive secretary of the United States Educational Commission in the United Kingdom. He was primarily concerned with the Corporation's Commonwealth Program until 1963, when he was appointed vice president.

Morris Hadley resigned as chairman of the board on November 15, 1966. Mr. Hadley, who had held this office since 1955, was succeeded by Frederick Sheffield.

In view of the pending retirement of Mr. Hadley and Gwilym A. Price, two new trustees, Frederick B. Adams, Jr., and Aiken W. Fisher, were elected on May 18, 1967, to become members of the board at the annual meeting on November 14, 1967. Mr. Adams, a graduate of Yale University, is director of the Pierpont Morgan Library in New York City. He

held various positions with Air Reduction Co., Inc., from 1933 to 1948, when he assumed his present post. He is a fellow of the Corporation of Yale University, president of the board of governors of Yale University Press, and a member of the governing boards of a number of other business, educational, and civic organizations including the Corning Museum of Glass, the Brooklyn Museum, the Foundation Library Center, and the Bollingen Foundation. He is president of the New-York Historical Society, a member of the American Philosophical Society, the American Academy of Arts and Sciences, and of other scholarly bodies.

Mr. Fisher, also a Yale graduate, is chairman of the board of Fisher Scientific Company, Pittsburgh, with which he has been associated since 1929, serving as its president from 1949 to 1965. He is a director of Granite City Steel Co., Latrobe Steel Co., and Mellon National Bank and Trust Co., and is chairman of the board of trustees of Carnegie-Mellon University, a trustee of Western Pennsylvania Hospital, and a member of the Carnegie Hero Fund Commission.

At the annual meeting on November 15, 1966, Mr. Sheffield and Walter B. Wriston were reelected to the board for five-year terms ending with the close of the annual meeting of 1971. Mr. Hadley was reelected for a one-year term ending at the close of the annual meeting of 1967.

A number of changes occurred in the Corporation staff during the year. Barbara D. Finberg, who has served with the Corporation since 1960, first as an editorial assistant, then as an executive assistant, was promoted to executive associate.

Eli N. Evans, who had been an assistant to Terry Sanford, former Governor of North Carolina, on his study of American states, joined the Corporation as an executive associate on June first. Mr. Evans is a graduate of the University of North Carolina and the Yale Law School. He has served on the White House staff and in the United States Department of Commerce. His work will be primarily in the area of governmental affairs and public policy.

G. Jon Roush, assistant professor of literature and humanities at Reed College, was appointed an executive assistant, effective September first. He will be concerned with certain aspects of the Corporation's program in higher education. Mr. Roush received his A.B. from Amherst College and his M.A. and Ph.D. from the University of California. Before going to Reed, he spent a year as project secretary of the Educational Policies Commission of the National Education Association.

In April 1967, Joan Ganz Cooney, a former producer of public affairs programs for the Educational Broadcasting Corporation in New York City (Channel 13/WNDT), was appointed a consultant to the Corporation. During the summer of 1966, Mrs. Cooney prepared a report for the Corporation on educational television programs for preschool children, and she is carrying on further explorations in this area.

Margo Viscusi, author of the "Year in Review" for the 1966 and 1967 annual reports, was designated an editorial associate. Mrs. Viscusi has had broad experience as an editor with publishing houses and business firms. Since 1964 she has assessed a number of manuscripts resulting from studies supported by the Corporation and edited several of them for publication.

Nelda N. Pedersen, who had carried out occasional assignments for the Corporation for several years, was appointed to the staff on a more regular basis as an editorial assistant. Mrs. Pedersen has her A.B. from the University of Michigan and formerly worked for the Library of Congress and as editorial coordinator for *Current* magazine.

Three junior members of the staff were promoted to staff assistants and have taken on a variety of administrative and editorial responsibilities. Sara H. Lawrence, a 1965 graduate of Wellesley College, worked for the Corporation for two summers and joined the staff on a full-time basis in September 1966. Carol Ann Richards graduated from Wellesley in 1964 and came to the Corporation in 1965. Mae Lani Sanjek joined the staff following her graduation from Barnard College in 1965.

The Corporation lost two valuable executives during the year. Arthur L. Singer, Jr., whose resignation was mentioned in the last annual report, is now president of the Education Development Center in Newton, Massachusetts. He continued with the Corporation on a part-time basis until January 31, 1967. Stephen Viederman, an executive assistant since June 1965, resigned on April 1, 1967, to become executive officer of the Behavioral and Social Sciences Survey Committee, Washington, D.C.

The administrative staff was also depleted by the retirement of Constance B. McCue, who had responsibly and efficiently managed the Corporation's filing system for thirty-six years. Marjorie Wells, administrative assistant for the Commonwealth Program, resigned for matrimony and a home in New Zealand after nearly sixteen years of Corporation service. Kate Woodbridge, an editorial and research assistant, left the Corporation after seven years to join the staff for program planning of the Model Cities Program, Housing and Development Administration of the City of New

York. Each of these staff members made an important contribution to the work of the Corporation, and they are greatly missed.

The executive committee at the beginning of the year consisted of Mr. Sheffield, chairman; Fredrick M. Eaton; Mr. Hadley; Caryl P. Haskins; Mr. Pifer; David A. Shepard; and Charles M. Spofford. Mr. Shepard was elected chairman of the committee on December 21, 1966. Upon Mr. Eaton's resignation from the committee, Amyas Ames was elected on May eighteenth to serve as a member of that committee until the annual meeting in 1967.

The following trustees served on the finance committee throughout the year: Mr. Ames, chairman; Mr. Eaton; Mr. Hadley; Malcolm A. MacIntyre; Mr. Pifer; and Mr. Wriston. Mr. Sheffield was elected to the committee on November 15, 1967.

The board of trustees held meetings on November 15, 1966, and January 19, March 16, and May 18, 1967.

The executive committee met on December 21, 1966, and April 19, June 21, and September 20, 1967.

The finance committee met on December 8, 1966, and March 8, June 21, and September 18, 1967.

The Secretary's Report

During the year ended September 30, 1967, the trustees appropriated \$13,850,000. This figure includes \$951,000 for the program in the Commonwealth. The total amount was the largest in many years. The Corporation made fifty-eight grants to schools, colleges, and universities, and forty-two to other organizations. In addition, fourteen appropriations were made for travel grant programs and other projects administered by the officers.

Over 1,500 specific requests for funds were received, as well as numerous inquiries for information by mail, telephone, and in person. Of the requests that were declined, many were for buildings, individual scholarships and grants-in-aid, publication subsidies, general support of educational institutions, and other kinds of assistance that the Corporation, as a matter of established policy, does not provide. Many others, however, were for meritorious projects within the Corporation's areas of interest which might have received support had the competition been less severe.

The list of recipients of grants, beginning on page 80, includes institutions and organizations to which funds were appropriated during 1966-67. The amounts of new grants are shown against a blue background in the first column. The list also includes recipients of grants voted in prior years on which payments were scheduled in 1966-67.

Any balance remaining after a project has been completed is normally returned to the Corporation. These refunds and any previous commitments written off during the year are added to the income available for appropriation and listed as Adjustments of Appropriations on pages 92 and 95.

Since many grants are expendable over a period of years, there are about 350 Corporation-supported programs or projects in operation at any given time. The secretary's office is responsible for securing annual reports and financial statements on all of these grants.

During 1966-67 a number of interesting books reporting the results of projects financed wholly or in part by Corporation grants were published

by commercial and university presses. Carnegie Corporation does not itself publish the findings of studies that it has supported.

The titles selected for this report represent a number of research areas in which the Corporation has been interested in recent years.

Research on developing countries was reported in:

Planning Human Resource Development: Educational Models and Schemata, by Russell G. Davis (Rand McNally & Company).

Elites in Latin America, edited by Seymour Martin Lipset and Aldo Solari (Oxford University Press).

Student Politics, edited by Seymour Martin Lipset (Basic Books, Inc.).

The Democratic Revolution in the West Indies: Studies in Nationalism, Leadership, and the Belief in Progress, edited by Wendell Bell (Schenkman Publishing Company, Inc.).

Other studies of international affairs included:

Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World, by Barrington Moore, Jr. (Beacon Press).

Arms Control and the Atlantic Alliance: Europe Faces Coming Policy Decisions, by Karl W. Deutsch (John Wiley & Sons, Inc.).

The International Law of the Great Lakes: A Study of Canadian-United States Co-operation, by Don Courtney Piper (Duke University Press).

The largest group of books is concerned with social and governmental affairs in the United States:

Privacy and Freedom, by Alan F. Westin (Atheneum).

The New Industrial State, by John Kenneth Galbraith (Houghton Mifflin Company).

The Congressional Process: Strategies, Rules, and Procedures, by Lewis A. Froman, Jr. (Little, Brown and Company).

Storm Over the States, by Terry Sanford (McGraw-Hill Book Company).

The Popular Sources of Political Authority: Documents on the Massachusetts Constitution of 1780, edited by Oscar and Mary Handlin (The Belknap Press of Harvard University Press).

Within the above broad category but dealing with somewhat more specialized topics, the following appeared:

Teachers & Testing, by David A. Goslin (Russell Sage Foundation).

THE DETAILED RECORD

The Managerial Revolution in Higher Education, by Francis E. Rourke and Glenn E. Brooks (The Johns Hopkins Press).

The Emergent American Society, Volume I: Large-Scale Organizations, edited by W. Lloyd Warner assisted by Darab B. Unwalla and John H. Trimm (Yale University Press).

Scientists in Organizations: Productive Climates for Research and Development, by Donald C. Pelz and Frank M. Andrews (John Wiley & Sons, Inc.).

Productive Americans: A Study of How Individuals Contribute to Economic Progress, by James N. Morgan, Ismail Sirageldin, and Nancy Baerwaldt (Survey Research Center, The University of Michigan).

Contracting for Atoms, by Harold Orlans (The Brookings Institution).

Stockpiling Strategic Materials: Politics and National Defense, by Glenn H. Snyder (Chandler Publishing Company).

About four years ago, the Corporation supported a small number of projects in philosophy, particularly as this discipline contributed to thinking about current problems. Two books in this field were published in 1967:

Freedom and Order in the University, edited by Samuel Gorovitz (The Press of Western Reserve University).

Distributive Justice: A Constructive Critique of the Utilitarian Theory of Distribution, by Nicholas Rescher (The Bobbs-Merrill Company, Inc., a subsidiary of Howard W. Sams & Co., Inc.).

The Corporation's earlier interest in research on thought processes is reflected in two new books:

Studies in Cognitive Growth, by Jerome S. Bruner, Rose R. Olver, Patricia M. Greenfield, *et al.* (John Wiley & Sons, Inc.).

Cognition and Thought: An Information-Processing Approach, by Walter R. Reitman (John Wiley & Sons, Inc.).

Appropriations and Payments

During the Year Ended September 30, 1967

This schedule shows all payments made during the fiscal year 1966-67 from appropriations of that year and preceding years. Amounts in the first column marked thus (*) are allocations from funds made available in previous years.

United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
African-American Institute To plan informational and educational activities (X3179)	\$15,000		\$15,000	
American Association of Junior Colleges To improve student personnel services in junior colleges (X3183)	75,000		37,500	\$37,500
American Council of Learned Societies Administrative support and fellowships (X3195)	650,000		140,000	510,000
To plan and develop comparative Communist studies (B3304)	250,000		37,500	212,500
American Council on Education Support of Overseas Liaison Com- mittee (X3172)		\$213,000	107,000	106,000
American Library Association Conference program on the library manpower crisis (X3179)	8,000*		8,000	
American Society for Engineering Edu- cation Study of the humanities and social sciences in the education of engi- neers (B3326)	104,000		104,000	
American Society for International Law Studies of international law and civil wars (X3170)		27,500	18,000	9,500
Anti-Defamation League Research and writing on the Harlem child and his schools (X3179)	7,100		7,100	
Antioch College Study of liberal arts colleges (B3213)		66,000	66,000	
Association of American Law Schools Special projects (B3168)		60,000	30,000	30,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966–67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966–67</i>	<i>Unpaid Balance Carried Forward</i>
Association of American Universities Expenses of delegates to 10th Common- wealth Universities' Congress in Australia (X3224)	\$60,000			\$60,000
Association of the Bar of the City of New York Completion of a study of modern surveillance technology (X3122)		\$5,000		5,000
Bank Street College of Education Support of Educational Resources Center (X3056)		100,000	\$100,000	
Boston University Support of Center for the Study of Liberal Education for Adults (B3203)		30,000	20,000	10,000
Research and writing on race relations in Africa (X3179)	15,000		15,000	
Brookings Institution Research on economics of education (B3180)		105,000	105,000	
Study of income maintenance programs and policy (X3233)	70,000		46,000	24,000
Brown University Postdoctoral fellowships in the humanities (B3191)		16,000	16,000	
Bucknell University Curriculum experimentation (X3231)	200,000		80,340	119,660
California Institute of Technology Research on information processing in living nervous systems (X3234)	200,000		50,000	150,000
California, University of, Berkeley Research on creativity and self- teaching devices (B3212)		40,000	40,000	
Research on political and social de- velopment (X3019)		25,000	25,000(1)	
California, University of, Irvine Development of self-instructional procedures (X3319)	240,000		72,000	168,000
California, University of, Los Angeles Research on learning and thought processes (X3134)		50,000	50,000	
Carnegie Endowment for International Peace Visiting research scholars (X3084)		50,000	25,000	25,000
Carnegie Foundation for the Advance- ment of Teaching Study of the future structure and financing of higher education (B3303, X3229)	1,000,000		183,705	816,295

(1) Written off; included in total payments.

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Carnegie-Mellon University Program in history in cooperation with Negro colleges (B3276)		\$302,000	\$165,000	\$137,000
Initial support of Carnegie Education Center (B3292)	\$1,000,000		200,000	800,000
Case Western Reserve University Program of philosophical studies (B3190)		47,600	47,600	
Center for Advanced Study in the Be- havioral Sciences Support (B3262)		450,000	50,000	400,000
Center for Applied Linguistics To improve the teaching of English to disadvantaged Negro children (B3293)	430,000		160,000	270,000
Chicago, University of Support of program of Committee for Comparative Study of New Nations (X3067)		120,000		120,000
Training of university extension ad- ministrators (B3240)		50,000	25,000	25,000
Research and writing in sociology (X3159)		28,875	28,875 (1)	
Research on the contribution of foreign university training to educational and social development (X3179)	11,800 *		11,800	
Citizens Conference on State Legislatures Research and education on state legis- latures (X3098)		37,500	37,500	
Claremont Graduate School and Uni- versity Center Support of Center for Continuing Education (X3138)		20,000	10,000	10,000
Conference on cluster colleges (X3179)	1,450 * } 11,300 }		12,750	
Enrichment program for secondary school students (X3317)	125,000		75,000	50,000
College Entrance Examination Board National system of college level ex- aminations (B3273)		1,231,000	134,000	1,097,000
Columbia University Chinese language program for high schools (X3163)		32,000	32,000	
Conference on psychology and politics of leadership (X3179)	12,750 *		12,750	
Carnegie Corporation oral history project (X3188)	25,000		25,000	

(1) Written off; included in total payments.

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966–67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966–67</i>	<i>Unpaid Balance Carried Forward</i>
Columbia University (<i>continued</i>)				
Training journalists with a specialized knowledge of East Asia (B3296)	\$250,000		\$80,000	\$170,000
Research and writing on international organizations (X3179)	15,000		15,000	
Comparative study of Communist elites (B3322)	315,000		101,200	213,800
Committee for Economic Development Program on improvement of governmental management (X2989)		\$179,000	100,000	79,000
Committee on Assessing the Progress of Education To develop a national educational assessment (B3228, X3125, X3196)	640,000	6,990	478,313	168,677
Council for Philosophical Studies Administrative expenses and a summer institute (B3237)		36,000	36,000	
Council for Public Schools, Inc. Administrative expenses of a cooperative program between Boston and suburban schools (B3285)		61,700	61,700	
Council of State Governments Support of two studies for the National Governors' Conference (X3215)	52,000		52,000	
Council on Foreign Relations, Inc. Anglo-American conference on southern Africa (X3179)	10,000		10,000	
Council on Foundations, Inc. Support (X3235)	100,000		10,000	90,000
Dartmouth College New doctoral program in mathematics (B3088)		38,000	38,000	
Denver, University of Interuniversity program in international relations (X3005)		32,000	16,000	16,000
Duke University To enable "A Study of American States" to plan the Institute on State Programming for the 70's (X3179)	15,000		15,000	
Editorial Projects for Education News digest for higher education administrators (X3230)	100,000		60,000	40,000
Education Commission of the States Organizing expenses and initial support (B3260)		75,000	75,000	
Support (B3302)	200,000		200,000	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Education Development Center				
Studio facility to produce films and video tapes for training teachers (B3263)		\$140,000	\$140,000	
Experimental school program at Haw- thorne House (X3179)	\$15,000		15,000	
Education and World Affairs				
General support (B3064, B3315)	500,000	100,000	100,000	\$500,000
Support of Universities Service Center in Hong Kong (X3126)		84,000	84,000	
Support of National Service Secre- tariat (X3179)	11,000 *		11,000	
Support of Overseas Educational Service (B3254)		100,000	100,000	
Educational Testing Service				
Development of assessment and in- structional materials for young children (B3275)		132,700	91,930	40,770
Fordham University				
Administration of the New York College Bound Corporation (X3202)	40,000		40,000	
Friends Neighborhood Guild				
Supplementary education and coun- seling program for disadvantaged high school youth (X3101)		44,000	44,000	
George Peabody College for Teachers				
Research and training in school- related learning (X3013)		108,000	60,000	48,000
Georgia, University of				
Development of the graduate program in art (X3145)		260,000	70,000	190,000
Great Lakes College Association				
Faculty projects and seminars in the arts and humanities (X3157)		120,000	60,000	60,000
Harvard University				
Research on history of liberty in America (X2966)		40,000	40,000	
Studies of higher education (X3033, X3322)	30,000	15,000	25,000	20,000
Study of the industrial system (X3070)		7,000	7,000	
Research on thought processes (B3233)		150,000	50,000	100,000
Studies of political systems in relation to social change (X3148)		185,000	70,000	115,000
Faculty seminar on the U. S. Office of Education report, <i>Equality of Edu- cational Opportunity</i> (X3187)	25,000		25,000	
Research on political and social de- velopment (X3193)	25,000		15,000	10,000
Research and writing on child de- velopment (X3198)	24,360		24,360	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966–67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966–67</i>	<i>Unpaid Balance Carried Forward</i>
Harvard University (<i>continued</i>)				
Research and training in human development in collaboration with University College, Nairobi, Kenya (X3208) (see also pages 93 and 94)	\$158,140		\$42,697	\$115,443
Research and writing on the relationship between economics and aesthetics (X3321)	50,000		10,000	40,000
Hunter College				
Conference on an approach to general education in the social sciences (X3179)	5,000		5,000	
Illinois, University of				
Graduate program in philosophy at the Chicago campus (X3124)		\$70,000	58,000	12,000
Experimental preschool reading program (X3158)		145,000	63,000	82,000
Program in preschool education (X3167)		80,000	80,000	
Indiana University				
Development of the graduate program in art (B3288)		200,000	50,000	150,000
Institute for Advanced Study				
Program in the comparative study of societies (B3321)	250,000			250,000
Institute for Educational Development				
Studies of the development and marketing of educational materials (X3216)	78,000		78,000	
Institute for Policy Studies				
Research and writing on the limits of formal education (X3223)	30,000		13,000	17,000
Institute for Services to Education				
Support (B3286)		350,000	350,000	
Jackson State College				
To plan a preschool teacher-training program (X3179)	12,100		12,100	
Johns Hopkins University				
Research on simulation as a method of instruction (X3105)		67,334	67,334	
Conferences of British and American legislators (X3186)	34,400		21,575	12,825
Kansas, University of				
To organize small “colleges” for freshmen and sophomores (X3169)		254,950	138,110	116,840
Kirkland College				
Curricular development (B3313)	127,850		77,850	50,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Lawrenceville School Study of the future structure and function of certain independent schools (X3312)	\$69,000		\$69,000	
Learning Institute of North Carolina Establishment of a child development research and demonstration center (B3231)		\$257,500	257,500	
To field test materials and methods developed by the Advancement School (X3182)	85,000		85,000	
Learning To Learn School, Inc. Follow-through of experimental pre-school program (X3179)	13,550		13,550	
Research on and development of a preschool curriculum (X3197)	50,000		50,000	
Massachusetts General Hospital Study group on graduate education in medicine (X3179)	15,000		15,000	
Massachusetts Institute of Technology Expansion of the humanities program (B3252)		86,500	86,500	
Conference on social statistics and the city (X3179)	15,000		15,000	
Michigan, University of Support of Center for the Study of Higher Education (B3108)		50,000	50,000	
Minneapolis Public Schools Experimental program in teacher education (X3313)	71,775		23,925	\$47,850
Minnesota, University of Support of the Minnesota Center for Philosophy of Science (X3168)		136,000	68,000	68,000
National Academy of Education Support (B3261)		35,000	17,500	17,500
National Academy of Sciences— National Research Council Support of committee on scholarly communication with mainland China (X3155)		62,500	62,500	
National conference on medical costs (X3179)	3,000		3,000	
National Affairs, Inc. Appraisals of social issues to be published in <i>The Public Interest</i> (X3185)	35,000		15,000	20,000
National Archives Trust Fund John F. Kennedy Library oral history project (X3077)		130,000	65,000	65,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
National Association of Secondary-School Principals Teacher induction programs in three city schools systems (B3226)		\$84,000	\$84,000	
National Bureau of Economic Research Research on the economics of education (B3265)		170,000	90,000	\$80,000
National Citizens' Committee for Public Television Establishment and support (B3324)	\$150,000		150,000	
National Council for the Advancement of Education Writing Administrative expenses and special projects (X3095)		24,250	24,250	
National Education Association Newsletter on teaching the academically talented (X3164)		53,000	26,500	26,500
National Indian Youth Council Study of education of American Indians (X3241)	95,000			95,000
National Municipal League Program of research and publication on state constitutional conventions in collaboration with Brown University (B3301)	285,000		135,000	150,000
National Opinion Research Center Study of the politics of northern school desegregation (B3323)	296,000		50,000	246,000
National Scholarship Service and Fund for Negro Students Expansion of counseling and referral services (B3268)		100,000	50,000	50,000
National Urban League, Inc. Graduate fellowship program (B3216, X3218)	200,000	100,000	100,000	200,000
New York University Research on remedial reading at the Medical Center (X3140)		37,000	37,000	
Interinstitutional program of professional education for women (X3152)		139,300	69,700	69,600
School of Medicine, explorations on financing of medical education (X3179)	15,000		15,000	
New York, University of the State of Program of independent study of neglected languages (B3279)		130,000	70,000	60,000
Newberry Library Research seminars in collaboration with the Associated Colleges of the Midwest (B3202)		120,400	60,200	60,200

Appropriations and Payments—United States

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North Carolina State Board of Higher Education Computer orientation project (B3295)	\$162,800		\$81,400	\$81,400
North Carolina, University of Incentive graduate fellowships (B3141)		\$12,000	12,000	
Institute on State Programming for the 70's (B3300)	385,000		200,000	185,000
Northwestern University Research and training in international relations (B3137)		25,000	25,000	
Development and evaluation of new program for teacher education (X3160)		171,600	36,900	134,700
Notre Dame, University of Summer institutes for teachers of philosophy from Catholic colleges (X3214)	120,000			120,000
Pacific Oaks College Self-study and review of preschool education programs (X3179)	15,000 *		15,000	
Pacific Science Center Foundation Establishment of a regional learning center in mathematics (B3222)		26,000	26,000	
Phillips Academy (Andover) Program in teaching visual percep- tion (B3210)		17,000	17,000	
Pittsburgh, University of Fellowships for mature women in the Graduate School of Public and In- ternational Affairs (B3287)		184,000		184,000
Interinstitutional program in compar- ative Communist studies (B3305)	250,000		68,000	182,000
Polytechnic Institute of Brooklyn Interdisciplinary courses for social science majors (X3149)		34,300	34,300	
Princeton University Research on internal warfare (B3125)		20,000	20,000	
Study of social and psychological fac- tors in fertility by Office of Popula- tion Research (B3145)		22,500		22,500
Pilot study to evaluate undergraduate instruction (X3200)	27,775		27,775	
Cooperative language program (X3201)	35,800		35,800	
Radcliffe College Fellowships at the Radcliffe Institute (B3255)		75,000	25,000	50,000
Rhode Island College Preparation of adjunct professors of elementary education (X3073)		30,100	30,100	

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Richmond College of the City University of New York Faculty planning institute (X3199)	\$39,500		\$39,500	
Rockefeller University Study of the philosophical and social implications of science (B3280)		\$42,500	42,500	
Rutgers—The State University Seminars for state legislators conducted by the Eagleton Institute of Politics (B3266)		90,000	50,000	\$40,000
To plan a new college (B3267)		25,000	25,000	
St. John's College Summer program for high school teachers (B3281)		161,400	45,250	116,150
San Francisco Art Institute Humanities program in the College (B3211)		18,000	18,000	
Sarah Lawrence College Support of Center for Continuing Education (B3176)		27,000	27,000	
Sidwell Friends School Research, planning, and staff training for the Friends-Morgan summer school program (X3179)	10,000		10,000	
Social Science Research Council Administrative expenses (B3184)		140,000	70,000	70,000
Fellowships and grants-in-aid (B3185)		210,000	105,000	105,000
Research seminars and conferences on modern Chinese society (X3068)		50,000	20,000	30,000
Southern Association of Colleges and Schools To aid Negro colleges in conducting self-studies for accreditation (B3308)	350,000		70,000	280,000
Southern California, University of Chinese and Japanese language program for high schools (X3162)		75,000	64,000	11,000
Southern Regional Education Board Support of Commission on Higher Educational Opportunity in the South (X3146)		240,000	60,000	180,000
Stanford University Automated laboratory for research on learning and teaching (B3123)		110,800	110,800	
To strengthen the program in art (X3081)		56,500	56,500	
Study of participation in American political life (X3181)	260,700		180,700	80,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Syracuse University Research and training in social psychology in collaboration with Makerere University College (B3306) (see also pages 93 and 94)	\$115,000		\$38,387	\$76,613
Teachers College, Columbia University Research on the history of American education (B3227)		\$166,000	30,000	136,000
Afro-Anglo-American Program in Teacher Education (B3290) (see also page 94)		100,000	100,000	
Tuskegee Institute To strengthen the academic program (B3163, B3165)		50,000	50,000	
United Scholarship Service, Inc. Graduate counseling and fellowship program for Indian and Spanish Americans (B3316)	150,000		50,000	100,000
United States Student Press Association Seminars on issues in higher education (X3184)	70,000		30,000	40,000
Vassar College Study of the feasibility of various co-operative arrangements with Yale University (B3312)	160,000		160,000	
Virginia Museum of Fine Arts Art program for Virginia colleges and universities (X3097)		4,415	4,415	
Washington University Chinese and Japanese language program for secondary schools (X3161)		37,750	37,750	
Research on achievement motivation in culturally deprived children (B3294)	130,000		43,000	87,000
Webster College Establishment of Webster Institute of Mathematics and Science (B3221)		130,000	60,000	70,000
Western Washington State College Curriculum planning for Fairhaven College (X3232)	44,000		44,000	
Wheelock College Study of new preschool programs (X3179)	15,000		15,000	
Whitney Museum of American Art Educational program sponsored jointly by the Museum and the Smithsonian Institution (B3309)	250,000		150,000	100,000
Williams College Development of residential house plan (B3236)		78,000	26,000	52,000

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Wisconsin, University of				
Experiment in broadening opportunities for higher education (B3174)		\$87,000	\$87,000	
Research and training in history of tropical countries (X3083)		104,000		\$104,000
Experimental program of graduate fellowships for women (X3127)		32,000	32,000	
World Law Fund				
Research on world order (X3179)	\$14,000		14,000	
Xavier University (Cincinnati)				
Montessori teacher-training program (B3325)	174,000		61,000	113,000
Xavier University (New Orleans)				
Speech improvement program (B3163, X3119)		18,500	18,500	
Yale University				
Studies in the theory of international politics (X2983)		20,000	20,000	
Experimental five-year B. A. program (B3234)		230,000	66,000	164,000
Research on patterns of control of public institutions of higher education (X3122)		7,500	7,500	
Support of Southern Teaching Program, Inc. (X3150)		50,000	50,000	
Research to evaluate the Yale Summer High School (X3179)	15,000 *		15,000	
Studies of individual belief systems (X3179)	13,000		13,000	
Research on learning (X3320)	87,000		36,000	51,000
Summer program in cooperation with Harvard and Columbia Universities for potential graduate students from Negro colleges (B3317)	400,000		200,000	200,000
Studies and Programs Administered by the Officers				
Carnegie Commission on Educational Television (X3156, X3179)	30,000	219,858	249,858	
Conference on the education and responsibilities of American physicians (X3122)		2,265	2,265	
Dissemination of results of Corporation grants (X3020, X3225, X3242)	150,000	22,881	78,989	93,892
Distribution of American art teaching materials (X3174)		150,000	40,000	110,000
Educational project in visual perception (X3179)	15,000		15,000	
Fellowships and travel grants (X3060, X3189)	125,000	54,347	72,108	107,239
Meetings on health services and medical education (X3179)	7,000		7,000(a) }	7,991
Research on government (B3194)	79,203		6,009 }	55,842
Research on preschool education (X3053)		2,000	23,361	1,180

(a) Received from The Commonwealth Fund for joint project support.

Appropriations and Payments—United States

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Studies and Programs, (continued)				
Research and writing on Philadelphia schools (X3236)	\$18,000		\$5,000	\$13,000
Research and writing on school boards (X3142, X3179)	4,000	\$29,250	22,000	11,250
Studies of American education and related matters (X3206)	78,355		41,837	36,518
Study of the education of educators (B3278)		217,064	92,806	124,258
Study of the training of medical laboratory technical personnel (B3314)	150,000		150,000	
Funds Made Available but Remaining Unallocated				
Discretionary Fund (X3243)	75,000	75,000	(b)	75,000
Conditional Grant (B3289)		100,000		100,000
TOTAL APPROPRIATED OR ALLOCATED	\$13,047,708			
Less: Allocated from funds voted in previous years as shown (*) above	75,000			
TOTALS: UNITED STATES	\$12,972,708(c)	\$11,755,129	\$11,670,844	\$13,056,993

(b) \$75,000 allocated to individual institutions included in list.

(c) \$12,422,708 appropriated from current income; \$550,000, from future income.

ADJUSTMENTS OF APPROPRIATIONS	Not required: written off (listed above)	\$53,875
	Refunds from grants made in previous years	
	1930-31 Scholarly Publication Fund (B903, B915)	4,232
	1957-58 Minnesota, University of (X2738)	266
	1959-60 American Library Association (X2840)	2,476
	1959-60 Institute of Defense Analyses (X2811)	3,786
	1960-61 Social Science Research Council (X2929)	53,914
	1961-62 Chicago, University of (B3012)	15,000
	1961-62 Massachusetts Institute of Technology (X2915)	1,375
	1962-63 Teachers College, Columbia University (X2998)	4,048
	1962-63 Columbia University (B3157)	108
	1962-63 Maryland, University of (B3115)	48,529
	1962-63 Princeton University (B3159)	79,203
	1963-63 Radcliffe College (B3117)	164
	1962-63 Modern Language Association of America (X2957)	810
	1962-63 Washington, University of (X2957)	361
	1963-64 Princeton University (B3170)	677
	1964-65 African Studies Association (X3053)	305
	1964-65 Bethune-Cookman College (B3163)	351
	1964-65 Educational Testing Service (B3241)	78,355
	1964-65 Harvard University (X3076)	1,540
	1964-65 Library of Congress (X3053)	713
	1964-65 New England Board of Higher Education (X3054)	1,316
	1964-65 Southern California, University of (X3053)	80
	1965-66 American Council of Learned Societies (X3122)	305
	1965-66 Associated Universities, Inc. (X3122)	2,009
	1965-66 Brooklyn Institute of Arts and Sciences (X3136)	8,263
	1965-66 Cornell University (X3122)	1,094
	1965-66 Teachers College, Columbia University (X3122)	306
		<u>\$363,461</u>

Appropriations and Payments—Commonwealth

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
African-American Institute				
Travel in Africa by a human relations consultant (X3180)	\$5,000 *		\$5,000	
Ahmadu Bello University				
Establishment of Institute of Education (B3244)		\$28,000	28,000	
American Council of Learned Societies				
Fellowships in American studies for Australian and New Zealand scholars (B3229)		60,000	60,000	
Botswana, Lesotho, and Swaziland, University of				
Teacher-training activities (B3249)		45,920	22,960	\$22,960
Education posts in Botswana and Swaziland (X3228)	50,000		25,000	25,000
Committee of Vice-Chancellors (Nigeria)				
Support of a secretariat (X3011)		77,000	20,000	57,000
Education and World Affairs				
Overseas Educational Service				
Additional costs of appointing Americans to education faculties at African universities (X3108)		45,000	26,000	19,000
Guyana, University of				
To plan education courses (X3180)	5,000 *		5,000	
Travel fund for academic consultations (X3180)	10,000 *		5,000	5,000
Harvard University				
Research and training in human development in collaboration with University College, Nairobi, Kenya (X3208) (see also page 85)	38,160		10,303	27,857
Ibadan, University of				
Support of Institute of Librarianship (X3144)		42,000	42,000	
Makerere University College				
Support of Institute of Education (B3246)		40,365	40,365	
Support of the National Institute of Education (X3226)	170,000			170,000
Research and training in social psychology in collaboration with Syracuse University (B3307) (see also page 90)	82,500		35,100	47,400
National Council of Adult Education (New Zealand)				
Travel by the librarian to North America and the United Kingdom (X3180)	3,800 *		3,800	

Appropriations and Payments—Commonwealth

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966-67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966-67</i>	<i>Unpaid Balance Carried Forward</i>
Syracuse University				
Research and training in social psychology in collaboration with Makerere University College (B3306) (see also page 90)	\$62,500		\$20,863	\$41,637
Teachers College, Columbia University				
Afro-Anglo-American program in teacher education (B3290) (see also page 90)		\$220,000	85,000	135,000
University College, Dar es Salaam				
Extramural program (B3109)		26,358	26,358	
Support of Institute of Education (X3310, X3227)	122,700		81,434	41,266
University College, Nairobi				
Development of education library (B3248)		25,000		25,000
Support of Institute of Adult Studies (X3173)		98,000	56,000	42,000
Research and training in human development in collaboration with Harvard University (X3209) (see also page 85)	131,400		74,800	56,600
University Provisional Council, Zambia				
Additional costs of appointment of American staff (X3107)		70,000		70,000
West Indies, University of the				
Experiment in reorganizing primary school teaching (X3211)	89,000		31,000	58,000
Studies and Programs Administered by the Officers				
Travel Grants: 95 allocations (X3012, X3062, X3132, X3190)	30,572* } 155,728 }	137,863	173,617	119,974
Funds Made Available but Remaining Unallocated			(a) }	
Discretionary Fund (X3244)	25,000	25,000	1,200(1) }	25,000
Travel Grants (X3190)	19,272			19,272
TOTAL APPROPRIATED OR ALLOCATED	\$1,000,632			
Less: Allocated from funds voted in previous years as shown (*) above	54,372			
TOTALS: COMMONWEALTH	\$946,260	\$940,506	\$878,800	\$1,007,966

(a) \$23,800 allocated to individual institutions included in list.

(1) Written off; included in total payments.

Appropriations and Payments—Commonwealth

ADJUSTMENTS OF APPROPRIATIONS	<i>Not required: written off (listed above)</i>	<i>\$1,200</i>
	<i>Refunds from grants made in previous years</i>	
	<i>1961–62 Ghana, University of (X2925)</i>	<i>6,309</i>
	<i>1963–64 East Africa, University of (X3000)</i>	<i>3,029</i>
	<i>1964–65 American Council on Education (B3282)</i>	<i>7,318</i>
	<i>1964–65 Ibadan, University of (X3061)</i>	<i>9,285</i>
		<u><i>\$27,141</i></u>

UNITED STATES AND COMMONWEALTH PROGRAM

SUMMARY OF APPROPRIATIONS AND PAYMENTS

<i>Recipient and/or Purpose</i>	<i>Appropriated or Allocated During 1966–67</i>	<i>Balance from Previous Appropriations</i>	<i>Paid During 1966–67</i>	<i>Unpaid Balance Carried Forward</i>
FOR PURPOSES IN UNITED STATES	\$12,972,708	\$11,755,129	\$11,670,844	\$13,056,993
FOR PURPOSES IN COMMONWEALTH	946,260	940,506	878,800	1,007,966
	<u>\$13,918,968</u>	<u>\$12,695,635</u>	<u>\$12,549,644</u>	<u>\$14,064,959</u>

Grants for Travel

Commonwealth Program

DURING THE YEAR ENDED
SEPTEMBER 30, 1967

From Australia

J. T. BAKER

Senior Lecturer in Chemistry, University College of Townsville

Chemistry and marine biology laboratories, United States

A. L. G. BECKWITH

Professor of Organic Chemistry, University of Adelaide

Teaching and research in organic chemistry, United States

R. C. BENNETT

Professor of Surgery, University of Melbourne

Teaching and practice of surgery, United States and Canada

E. S. CRAWCOUR

Professor of Japanese Studies, Australian National University

Teaching of Japanese, United States and Canada

D. D. DUNN

Deputy Registrar, University of Western Australia

University administration and coordination of higher education on the state level, United States and Canada

F. D. O. FIELDING

University Librarian, University of Queensland

University library organization, procedures, and buildings, United States and Canada

J. T. GUNTHER

Vice-Chancellor, University of Papua and New Guinea

University administration, United States, Canada, West Indies, and Africa

L. T. HERGENHAN

Senior Lecturer in English, University of Tasmania

Teaching of Commonwealth literature and its relation to American literature, United States and Canada

P. G. NASH

Professor of Law, University of Papua and New Guinea

University law teaching, Africa

J. E. RICHARDSON

Professor of Law, Australian National University

Teaching of air and space law, and anti-trust law, United States

DULCIE STRETTON

Liaison Officer, Council of Adult Education, Melbourne

Adult education and the role of women in the community, United States and Canada

NEVILLE TEEDE

Senior Tutor in English, University of Western Australia

Organization and administration of university drama departments, United States and Canada

L. M. B. THOMAS

Director, Queensland Art Gallery, Brisbane

Design and education programs of art museums and teaching in fine arts departments, United States and Canada

F. J. WILLETT

Professor of Commerce and Business Administration, University of Melbourne

Developments in business education with special emphasis on continuing education, United States

From Canada

W. G. FLEMING

Assistant Director and Coordinator of Studies, Ontario Institute for Studies in Education, Toronto

Lectures and consultations on educational research, Australia

From Ghana

E. Y. AMEDEKEY

Librarian, University of Ghana

University libraries, United States and
Canada

E. A. K. EDZII

Registrar, University of Ghana

Administrative procedures and problems of
growth in universities, United States and
Canada

From Kenya

F. C. A. CAMMAERTS

*Professor of Education, University College,
Nairobi*

Teacher education, United States and
Canada

From Lesotho

J. M. TEKATEKA

*Senior Lecturer in African Studies, University of
Botswana, Lesotho, and Swaziland*

Teaching of African languages, university
extension work, United States and Canada

From Malaysia

S. J. GILANI

*Senior Lecturer in Economics and Administration,
University of Malaya*

Research in economic theory and teaching
of analytic economics, United States and
Canada

A. M. M. MACKEEN

*Lecturer in Islamic Studies, University of Ma-
laya*

Islamic studies in universities, United States
and Canada

EMMANUEL PATRICK

Student Health Physician, University of Malaya
University health services, United States

From New Zealand

C. G. N. HILL

*Professor of Education, Massey University,
Manawatu*

Teacher education, United States and
Canada

D. M. McALPINE

*Senior Lecturer in Education, Massey University,
Manawatu*

Cognitive development, United States

J. G. PENDERGRAST

*Associate Professor of Zoology, University of
Auckland*

Teaching of entomology and freshwater
biology, United States and Canada

J. E. RITCHIE

Professor of Psychology, University of Waikato
Psychology, United States

ROY SIDEBOTHAM

*Professor of Accountancy, Victoria University of
Wellington*

Teaching of accounting, United States

P. D. SMITH

*Senior Lecturer in Mechanical Engineering,
University of Auckland*

Agricultural engineering, India, East Africa,
and Israel

A. J. W. TAYLOR

*Student Counsellor, Victoria University of
Wellington*

Student counseling, United States

From Nigeria

ALHAJI M. M. AHAMADU-SUKA

Senior Law Tutor, Ahmadu Bello University
Constitutional law, United States

I. A. AKINJOGBIN

*Acting Director, Institute of African Studies,
University of Ife, Ibadan*

African studies, United States and Canada

JOHN DEAN

*Director, Institute of Librarianship, University
of Ibadan*

Library training, United States

Grants for Travel—Commonwealth Program

G. R. K. NAIR

Senior Lecturer in Accounting, University of Nigeria, Enugu

Teaching of accounting, United States and Canada

B. N. OKIGBO

Dean, Faculty of Agriculture, University of Nigeria, Nsukka

Agrometeorology, United States

M. S. O. OLISA

Lecturer in Social Science, University of Nigeria, Nsukka

General studies programs, United States and Canada

From Sierra Leone

E. H. M. WRIGHT

Senior Lecturer in Chemistry, Fourah Bay College

Surface chemistry, United States and Canada

From Singapore

SHENG-YI LEE

Lecturer in Economics, University of Singapore

Economics and centers of Southeast Asian studies, United States

From South Africa

JOHN BALINSKY

Senior Lecturer in Biochemistry, University of the Witwatersrand, Johannesburg

Biochemistry, United States

H. A. LOUW

Professor of Microbiology, University of Stellenbosch

Microbiology and soil science, United States and Canada

A. S. MATHEWS

Professor of Law, University of Natal

Legal research and teaching of law, United States

A. R. A. MURRAY

Headmaster, St. Alban's College, Pretoria

Educational trends in independent schools, United States

JULIE TE GROEN

Chief Librarian and Deputy Director, Cape Provincial Library

Organization and administration of public libraries, United States

W. J. VAN BILJON

Professor of Geology, Rand Afrikaans University, Johannesburg

Geological research and teaching, United States

From Uganda

H. A. A. EL-ABD

Professor of Educational Psychology, Makerere University College

Modern techniques of measurement, United States

From the United States

S. C. ERICKSEN

Director, Center for Research on Learning and Teaching, University of Michigan

Lectures and consultations on educational research, Australia

A. A. LIVERIGHT

Director, Center for the Study of Liberal Education for Adults, Boston University

Consultations on adult education, Australia, New Zealand, and Southeast Asia

From the West Indies

R. K. CUNNINGHAM

Professor of Chemistry and Soil Science, University of the West Indies, Trinidad

Agricultural research, advisory and extension work, United States and Canada

FARHANG MOHTADI

Professor of Chemical Engineering, University of the West Indies, Trinidad

Teaching of chemical engineering, United States

The Treasurer's Report

Statements of the Corporation's assets and liabilities at September 30, 1967, its income, expenses, and appropriations for the year ended on that date, and the securities owned at the year-end with their book and market values appear on pages 104 through 114. These statements were audited by the independent public accounting firm of Price Waterhouse & Co. whose opinion appears on page 103.

The following comments are intended to highlight and supplement this information.

Assets

During the year the Corporation's assets at book value increased by \$3,557,045. This increase was realized principally by the reinvestment of net profits on securities that were sold.

The Corporation's Capital Fund at book is \$236,687,288. It comprises the original endowment fund of \$135,336,869, plus accumulated net realized gains to date of \$101,350,419. Valuing the securities at market prices on September 30, 1967, the Capital Fund would be increased by \$85,588,985 of unrealized gains, making a total of \$322,276,273, which is an increase of 138 per cent in the original endowment.

The accumulated net gain realized is set aside in the Capital Gains Account since, in counsel's opinion, it is not income and consequently not available for appropriation.

Cash and marketable securities at book value make up more than 99 per cent of the Corporation's assets. The remainder is mostly from bequests under the wills of Mr. and Mrs. Andrew Carnegie.

CARNEGIE HOUSE PROPERTIES

The Carnegie House properties, consisting of the land and two buildings at 2 East 91st Street and 9 East 90th Street, New York City, were be-

ANNUAL REPORT FOR 1967

queathed to the Corporation by Mrs. Carnegie. They are carried on the Corporation's books at the nominal value of \$1.00. The properties are leased rent free to Columbia University and occupied by the Columbia University School of Social Work, a graduate school of the University.

HOME TRUST COMPANY

Home Trust Company was organized in 1901 in New Jersey by Mr. Carnegie to care for various of his financial interests after he retired. It became trustee of certain trusts set up by him during his lifetime to pay pensions to various people on his private pension list. It acted as executor of Mr. Carnegie's estate and is still trustee of certain trusts established by his will. It has never engaged in general banking business nor accepted deposits, and it accepts no new business. Its activities have steadily declined as recipients of pensions and annuities have died.

The Corporation owns all the capital stock (except directors' qualifying shares) of Home Trust Company, which is carried in the Corporation accounts at \$334,195, the appraised value when acquired in 1925 from Mr. Carnegie's estate. The Corporation also owns the reversionary interests in various trusts established by Mr. Carnegie and administered by Home Trust Company. The present unrecovered balance of the reversionary interests is \$309,810.

ADVANCES TO THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

To enable The Carnegie Foundation for the Advancement of Teaching to carry out its obligations for payment of free pensions to retired college and university teachers and their widows, the Corporation in 1939 committed itself to advance up to \$15,000,000 without interest to the Foundation. The Foundation's income is now sufficient to take care of its expenses and pension payments. It is therefore no longer necessary for the Corporation to continue making advances. The total amount advanced was \$14,600,000. This amount has been reduced by payments totaling \$155,201, leaving a balance at September 30, 1967, of \$14,444,799.

The present value of the advances depends, of course, on the rate of repayment. Because there is not now any way to determine their present

THE DETAILED RECORD

value, the advances are carried on the Corporation's books at the nominal value of \$1.00.

Investment Transactions During the Year

The proceeds of various redemptions, the sale of some preferred stocks, and the reinvestment of short-term money were used to purchase new issues of corporation bonds with high coupons and long maturities. A considerable amount of common stocks was sold and the proceeds, including the realized net profits, were reinvested in other common stocks considered more desirable. At the year-end the Corporation investments in government securities include \$9,850,000 of short-term obligations acquired in anticipation of settlements for bonds that it is committed to purchase.

A summary showing the changes in investments, the market value at the year-end, and the gain or loss on securities sold during the year follows:

<i>September 30, 1966</i>		<i>September 30, 1967</i>		
	<i>Book Amount</i>	<i>Book Amount</i>	<i>Approximate Market</i>	<i>Gain or (Loss) on Securities Sold During the Year</i>
Bonds				
U. S. Government	\$18,635,586	\$14,785,289	\$14,776,505	\$1,614
Others	105,220,381	110,677,598	98,362,109	(43,377)
Mortgages	14,616,318	13,882,915	12,770,388	16,183
Stocks				
Preferred	622,264	303,298	219,025	40,614
Common	106,236,367	109,413,559*	208,523,617	3,441,803
	<u>\$245,330,916</u>	<u>\$249,062,659</u>	<u>\$334,651,644</u>	<u>\$3,456,837</u>

* In accordance with board resolution (B1165, March 15, 1934) the total investment in common stock of any one company cannot exceed one per cent (1%) of that company's then issued common stock.

Income

The income from securities for the year 1967 was \$13,189,614, and is a decrease of \$165,711 from 1966. The decrease in income is due mainly to reduced common stock dividends. In the coming year income should improve when all short-term temporary funds are fully invested. Security income represents a return of 5.30 per cent on cost of securities held at the year-end, or a yield of 3.94 per cent on market value. Two items substantially make up the total of other income: \$30,101 was received as dividends on annuity policies that the Corporation purchased from Teachers Insur-

ance and Annuity Association to supplement the allowances for retired college professors provided by The Carnegie Foundation for the Advancement of Teaching and \$84,422 was received from the Foundation as a payment toward the liquidation of the Corporation advances.

Appropriations

For both the United States and Commonwealth programs a total of \$13,918,968 was appropriated in the fiscal year 1967. Of the total appropriated, \$13,368,968 is chargeable to the income of the current year and \$550,000 is deferred to the fiscal year 1968. Detail of these appropriations is given in the secretary's report on pages 80 through 95.

The amount that may be used for the Commonwealth program is 7.4 per cent of security income after deducting investment service and custody fees.

The balance available for current appropriation was \$13,262,254. After appropriating \$12,422,708 for purposes in the United States and \$946,260 for the Commonwealth program, the Corporation finished the year with a net deficit of \$106,714. This deficit is made up of a charge of \$125,551 against future income for the United States program and a balance of \$18,837 that may be spent for the Commonwealth program in future years.

TEN-YEAR RECORD OF INCOME AND DISPOSITION OF FUNDS

<i>Fiscal Year Ended September 30</i>	<i>Cash Income</i>	<i>Operating Expenses</i>	<i>Appropriations less Refunds, and Reserves for Professors' Annuities</i>	<i>Excess (Deficiency) of Income for the Year</i>	<i>Balance Unappropriated Income</i>
1958	\$9,603,628	\$707,136	\$8,720,001	\$176,491	\$314,098
1959	9,849,808	780,507	9,171,448	(102,147)	211,951
1960	10,646,490	792,498	9,904,902	(50,910)	161,041
1961	10,976,558	845,367	10,075,816*	55,375	216,416
1962	11,360,937	851,968	10,261,942	247,027	463,443
1963	11,785,719	856,562	11,079,711	(150,554)	312,889
1964	12,303,167	874,351	11,244,564	184,252	497,141
1965	12,888,402	907,322	11,564,833	416,247	913,388
1966	13,463,339	907,913	13,252,975	(697,549)	215,839
1967	13,310,438	1,054,626	12,578,365	(322,553)	(106,714)

* Payments to reserves terminated.

A detailed comparative statement of income and expenses and appropriations for 1965-66 and 1966-67 appears on page 106.

OPINION OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF TRUSTEES OF
CARNEGIE CORPORATION OF NEW YORK

In our opinion, the statements appearing on pages 104 through 114 present fairly the financial position of Carnegie Corporation of New York at September 30, 1967, and its income, expenses and appropriations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including confirmation of the cash and securities owned at September 30, 1967, by direct correspondence with depositories.

PRICE WATERHOUSE & CO.

New York, N. Y.

November 1, 1967

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT I B A L A N C E S H E E T *September 30, 1967*

Assets

Securities at book amount (SCHEDULE A and NOTE 1)

Bonds

U. S. Government \$14,785,289

Other 110,677,598

Mortgages (FHA and VA) 13,882,915

Stocks

Preferred 303,298

Common 109,413,559

Total (approximate market value \$334,651,644) \$249,062,659

Cash 387,401

Miscellaneous receivables and deposits 1,466

Other Assets (NOTE 2)

Reversionary interests \$309,810

Home Trust Co., capital stock 334,195

Items at nominal value 2

644,007

\$250,095,533

- NOTES 1. Investments in securities are carried generally at cost if purchased, or at quoted market value at dates of receipt if acquired by gift.
2. See pages 99-101.

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT I

B A L A N C E S H E E T

September 30, 1967

Funds and Liabilities

Capital Fund				
Endowment			\$125,000,000	
Legacies			10,336,869	
Capital gains (NOTE 2)				
Balance at beginning of year		\$97,890,144		
Add: Profit on sale of securities		3,456,837		
Profit on recovery of reversionary interests		<u>3,438</u>		
Balance at end of year			<u>101,350,419</u>	
				\$236,687,288
		<i>Commonwealth</i>	<i>United States</i>	<i>Total</i>
Appropriations authorized				
Current	\$1,007,966	\$12,506,993	\$13,514,959	
Deferred		<u>550,000</u>	<u>550,000</u>	
Totals (see page 95)	<u>\$1,007,966</u>	<u>\$13,056,993</u>		14,064,959
Appropriations in excess of income to date payable out of future income (EXHIBIT II)				656,714

\$250,095,533

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT II

*Comparative Statement of Income,
Expenses, and Appropriations*

	<i>Year ended September 30</i>			
	<i>1967</i>	<i>1966</i>	<i>+</i> <i>—</i>	<i>Increase Decrease</i>
Income				
Dividends and interest on securities (SCHEDULE A)	\$13,189,614	\$13,355,325	—	\$165,711
Other income*	120,824	108,014	+	12,810
	<u>\$13,310,438</u>	<u>\$13,463,339</u>	—	<u>\$152,901</u>
Less: Investment service and custody fee	108,671	112,631	—	3,960
	<u>\$13,201,767</u>	<u>\$13,350,708</u>	—	<u>\$148,941</u>
Application of income				
Administrative expenses (SCHEDULE B)	945,955	795,282	+	150,673
Net income	<u>\$12,255,812</u>	<u>\$12,555,426</u>	—	<u>\$299,614</u>
Transfer of reserve for pensions no longer required—Carnegie Foundation	400,001		+	400,001
Income available for appropriation	<u>\$12,655,813</u>	<u>\$12,555,426</u>	+	<u>\$100,387</u>
Appropriations authorized during the year (see page 95)				
Current	\$13,368,968	\$13,338,700	+	\$30,268
Deferred	550,000		+	550,000
Less: Refunded or not needed	390,602	85,725	+	304,877
Net funds appropriated	<u>\$13,528,366</u>	<u>\$13,252,975</u>	+	<u>\$275,391</u>
Excess of appropriations over income	<u>\$872,553</u>	<u>\$697,549</u>	+	<u>\$175,004</u>
Balance, unappropriated income beginning of the fiscal year	<u>215,839</u>	<u>913,388</u>	—	<u>697,549</u>
(Appropriations in excess of income) or accumulated income	<u><u>(\$656,714)</u></u>	<u><u>\$215,839</u></u>	+	<u><u>\$872,553</u></u>

* See pages 101–102.

CARNEGIE CORPORATION OF NEW YORK

SCHEDULE A

Summary of Securities Held

September 30, 1967
and Income for the Year

	<i>Book Amount</i>	<i>Approximate Market</i>	<i>+Greater or —Less than Book</i>	<i>Income</i>
Bonds				
U. S. Government	\$14,785,289	\$14,776,505	— \$8,784	\$737,609
Other	110,677,598	98,362,109	— 12,315,489	4,945,731
Totals	<u>\$125,462,887</u>	<u>\$113,138,614</u>	<u>—\$12,324,273</u>	<u>\$5,683,340</u>
Mortgages (FHA and VA)	13,882,915	12,770,388	— 1,112,527	667,484
Stocks				
Preferred	303,298	219,025	— 84,273	11,595
Common	109,413,559	208,523,617	+ 99,110,058	6,827,195
Totals	<u>\$249,062,659</u>	<u>\$334,651,644</u>	<u>+\$85,588,985</u>	<u>\$13,189,614</u>

Statement of Securities

September 30, 1967

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
U. S. Government			
Treasury Bills			
Oct. 5, 1967	\$5,371,000	\$5,262,756	\$5,367,294
Oct. 19, 1967	450,000	445,176	448,947
Nov. 16, 1967	1,000,000	989,943	994,130
Dec. 21, 1967	1,000,000	989,902	989,800
Dec. 28, 1967	1,733,000	1,712,928	1,713,972
Jan. 31, 1968	300,000	293,122	295,194
Twelve Federal Land Banks			
4 $\frac{3}{8}$ s, Mar. 20, 1969	1,210,000	1,197,296	1,181,263
4 $\frac{1}{4}$ s, Mar. 20, 1968	500,000	497,813	496,250
Federal National Mortgage Association			
Deb. 5 $\frac{1}{8}$ s, SM-1972-A, Feb. 10, 1972	1,000,000	996,250	972,500
Deb. 4 $\frac{5}{8}$ s, Ser. SM-1970-A, April 10, 1970	1,000,000	1,001,250	966,250
Deb. 4 $\frac{3}{8}$ s, Ser. SM-1969-A, April 10, 1969	1,382,000	1,398,853	1,350,905
Totals		<u>\$14,785,289</u>	<u>\$14,776,505</u>

Statement of Securities—*continued*

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Alabama Power Co. 1st 5s, April 1, 1990	\$365,000	\$362,542	\$322,113
Alberta (Canada), Province of Treasury 4.40s, Feb. 8, 1968 (Registered)	1,000,000	1,000,000	995,000
Alcan Aluminum Corp. Promissory Notes 4¾s, Dec. 31, 1984 (Registered)	1,000,000	1,000,000	865,000
Allied Chemical & Dye Corp. Deb. 3½s, April 1, 1978 (Registered)	1,100,000	1,089,000	915,750
Aluminum Co. of Canada, Ltd. S. F. Deb. 4½s, April 1, 1980	975,000	996,977	823,875
Amax Realty Corp. Notes 4.85s, June 1, 1986 (Registered)	1,211,813	1,211,813	1,072,454
American Airlines, Inc. Conv. Sub. Deb. 5½s, Oct. 1, 1991 (Registered)	1,070,000	1,632,898	1,348,200
American Can Co. Deb. 4¾s, July 15, 1990 (Registered)	977,000	984,816	842,663
Associates Investment Co. Deb. 5¼s, Aug. 1, 1977	567,000	591,098	521,640
Baxter Laboratories, Inc. Conv. Sub. Deb. 4s, Mar. 1, 1987 (Registered)	850,000	1,143,897	1,075,250
Bell Telephone Co. of Canada, (The) 1st 4⅞s, May 1, 1988 (Registered)	1,500,000	1,494,600	1,224,375
1st 4.80s, Ser. Z, Oct. 1, 1989 (Registered)	1,000,000	1,000,000	810,000
Beneficial Finance Co. Deb. 5s, Nov. 1, 1990 (Registered)	1,000,000	1,000,000	845,000
Bethlehem Steel Corp. Cons. S. F. 2¾s, Ser. I, July 15, 1970	275,000	279,813	252,313
Boeing Co., (The) Notes 6⅜s, Sept. 15, 1986 (Registered)	2,000,000	2,000,000	1,960,000
B. P. North American Finance Corp. Promissory Notes 5½s, Sept. 15, 1985 (Registered)	1,500,000	1,500,000	1,338,750
Celanese Corp. of America Promissory Notes 4¾s, April 1, 1990 (Registered)	2,000,000	2,000,000	1,660,000
Celbess Corp. 1st 5¼s, Nov. 30, 1974 (Registered)	2,057,140	2,057,140	1,943,997
C.I.T. Financial Corp. Promissory Notes 4⅞s, April 1, 1987 (Registered)	1,500,000	1,500,000	1,196,250
Deb. 4¾s, July 1, 1970 (Registered)	2,000,000	1,978,750	1,910,000
Deb. 3⅝s, Sept. 1, 1970	500,000	492,875	463,750

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Columbia Broadcasting System, Inc. Promissory Notes 5½s, April 15, 1991 (Registered)	\$1,500,000	\$1,500,000	\$1,398,750
Columbia Gas System, Inc. Deb. 3⅞s, Ser. F, April 1, 1981 (Registered)	550,000	548,653	431,750
Commercial Credit Co. Notes 4¾s, Jan. 15, 1982 (Registered)	2,000,000	2,000,000	1,655,000
Consolidated Edison Co. of New York, Inc. 1st & Ref. 5s, Ser. N, Oct. 1, 1987 (Registered)	1,000,000	1,007,770	890,000
1st & Ref. 4¾s, Ser. R, June 1, 1990 (Registered)	1,000,000	1,007,990	832,500
Consolidated Natural Gas Co. Deb. 5s, Feb. 1, 1985	921,000	929,174	838,110
Deere (John) Credit Co. Deb. 4⅞s, Ser. A, Oct. 31, 1985 (Registered)	1,000,000	990,000	845,000
Detroit Edison Co. Gen. & Ref. 4⅞s, Ser. P, Aug. 15, 1987 (Registered)	1,000,000	1,000,000	845,000
Duquesne Light Co. S. F. Deb. 5s, Mar. 1, 2010	849,000	856,828	759,855
Eric Mining Co. 1st 4½s, Ser. B, July 1, 1983 (Registered)	1,525,000	1,480,592	1,326,750
First National City Bank of New York Conv. Notes 4s, July 1, 1990 (Registered)	1,250,000	1,287,840	1,240,625
Ford Motor Co. Promissory Notes 4s, Nov. 1, 1976 (Registered)	1,257,000	1,257,000	1,115,588
Ford Motor Credit Co. Notes 4¾s, Mar. 1, 1979 (Registered)	2,000,000	2,000,000	1,700,000
Four Corners Pipe Line, Inc. Notes 5s, Sept. 1, 1982 (Registered)	533,000	533,000	486,363
General Electric Credit Corp. Notes 4.85s, June 15, 1990 (Registered)	1,035,000	1,035,000	820,238
Notes 4¾s, Nov. 1, 1987 (Registered)	1,000,000	1,000,000	795,000
General Motors Acceptance Corp. Deb. 5s, Mar. 15, 1981	775,000	771,125	693,625
Deb. 3⅞s, Sept. 1, 1975	600,000	594,500	493,500
Great Canadian Oil Sands Ltd. Notes 5¾s, July 1, 1991 (Registered)	2,000,000	2,000,000	1,880,000
Gulf States Utilities Co. 1st 4⅞s, July 1, 1990	1,000,000	1,008,670	876,250
Howe Sound Realty Corp. Notes 4.85s, June 1, 1986 (Registered)	1,211,813	1,211,813	1,072,454

Statement of Securities—*continued*

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Hyston Fibers Inc. Notes 5¾s, Nov. 1, 1986 (Registered)	\$2,500,000	\$2,500,000	\$2,393,750
ICI Financial Corp. Promissory Notes 6.52s, Aug. 1, 1985 (Registered)	1,500,000	1,636,500	1,458,750
Indiana & Michigan Electric Co. S. F. Deb. 5½s, June 1, 1986	500,000	508,860	450,000
Industrial Acceptance Corp., Ltd. S. F. Deb. 5¼s, Ser. Z, Oct. 1, 1982 (Registered)	1,000,000	1,000,000	850,000
International Bank for Reconstruction & Development 4¾s, Nov. 1, 1980 (Registered)	500,000	498,263	443,125
3¾s, May 15, 1968	500,000	476,797	491,250
United Kingdom Guaranteed 4¾s (Colony of Southern Rhodesia) May 1, 1968–71 (Registered)	2,000,000	1,931,450	1,961,800
5s (Federal Power Board Rhodesia & Nyasaland), Dec. 1, 1967 (Registered)	200,000	197,190	199,720
5¼s (Federation of Nigeria) April 1, 1968–71 (Registered)	1,200,000	1,200,000	1,189,170
International Harvester Credit Corp. Deb. 4½s, Ser. A, Nov. 1, 1979	1,000,000	995,000	850,000
Louisiana Power & Light Co. 1st 5s, April 1, 1990	1,000,000	979,250	885,000
Louisville & Nashville RR Co. 1st & Ref. 3¾s, Ser. I, April 1, 2003	965,000	962,875	559,700
Missouri Pacific RR Co. Conditional Sale Agreement 5.70s, Ser. A, Nov. 1, 1974	638,227	638,227	622,271
Montgomery Ward Credit Corp. Deb. 4¾s, July 1, 1980	1,000,000	995,000	857,500
New York Telephone Co. Ref. 6s, Ser. Q, Sept. 1, 2007 (Registered)	1,500,000	1,498,500	1,490,625
Norfolk & Western Ry. Co. Conditional Sale Agreement 6s, Oct. 1, 1981 (Registered)	2,000,000	2,000,000	1,980,000
Northern States Power Co. 1st 5s, Dec. 1, 1990	500,000	506,125	445,000
Pacific Telephone & Telegraph Co. Deb. 5½s, Feb. 1, 1993	1,000,000	1,011,980	905,000
Pan American World Airways, Inc. Conv. Sub. Deb. 4½s, Aug. 1, 1986 (Registered)	2,000,000	2,000,000	1,960,000
Potomac Electric Power Co. 1st 5s, Dec. 15, 1995	1,250,000	1,260,338	1,109,375
S. F. Deb. 4½s, Feb. 15, 1982 (Registered)	474,000	455,040	414,158

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Public Service Co. of Indiana, Inc. 1st 4 $\frac{7}{8}$ s, Ser. L, Oct. 1, 1987 (Registered)	\$1,000,000	\$1,000,000	\$855,000
Public Service Electric & Gas Co. Deb. 4 $\frac{5}{8}$ s, Mar. 1, 1977	455,000	441,350	402,675
Deb. 3 $\frac{1}{2}$ s, Oct. 1, 1975	1,000,000	1,027,500	826,250
Quebec Hydro-electric Commission Deb. 5s, Ser. X, July 15, 1984	1,000,000	1,000,000	850,000
Reproco, Inc. Notes 6 $\frac{1}{4}$ s, Jan. 1, 1992 (Registered)	2,611,646	2,611,646	2,585,530
Sears Roebuck Acceptance Corp. Sub. Deb. 4 $\frac{5}{8}$ s, May 1, 1977	1,400,000	1,386,000	1,197,000
Shell Funding Corp. Coll. Trust 4 $\frac{1}{2}$ s, Ser. A, June 1, 1983 (Registered)	1,000,000	1,000,000	862,500
Shell Oil Co. Deb. 5s, Mar. 15, 1991 (Registered)	2,000,000	2,000,000	1,765,000
Simpsons-Sears Acceptance Co., Ltd. Deb. 5 $\frac{7}{8}$ s, Ser. C, Feb. 1, 1980 (Registered)	1,000,000	1,000,000	907,500
Southern Electric Generating Co. 1st 5 $\frac{1}{4}$ s, Ser. 1960, June 1, 1992	833,000	839,455	751,783
Southern Pacific Co. Eq. Tr. Ctfs. 3 $\frac{5}{8}$ s, Ser. UU, Aug. 1, 1968-71	800,000	806,339	758,240
Southern Railway Co. 1st Cons. 5s, July 1, 1994	1,000,000	1,333,176	900,000
Tennessee Gas Transmission Co. Deb. 5s, Sept. 1, 1982 (Registered)	1,000,000	1,012,500	850,000
Deb. 4 $\frac{1}{2}$ s, Jan. 1, 1977 (Registered)	418,000	427,489	357,390
Deb. 4 $\frac{1}{4}$ s, Sept. 1, 1974 (Registered)	935,000	991,147	804,100
Texas Eastern Transmission Corp. 1st 5 $\frac{5}{8}$ s, Sept. 1, 1977 (Registered)	410,000	418,601	377,200
1st 4 $\frac{7}{8}$ s, April 1, 1979 (Registered)	893,000	868,722	790,305
Texas Gas Transmission Corp. Deb. 5s, June 1, 1982	982,000	982,184	854,340
Texas Gulf Sulphur Co. Promissory Notes 4.70s, April 1, 1989 (Registered)	1,000,000	1,000,000	847,500
Promissory Notes 4.70s, Oct. 1, 1989 (Registered)	1,000,000	1,000,000	842,500
Toronto Dominion Tower Ltd. 1st 5 $\frac{5}{8}$ s, Ser. D, Oct. 1, 1991 (Registered)	1,500,000	1,500,000	1,327,500
Trans World Airlines, Inc. Eq. S. F. Notes 5 $\frac{3}{8}$ s, Ser. E, Dec. 31, 1986 (Registered)	1,000,000	1,000,000	900,000
Conv. Sub. Deb. 4s, Mar. 1, 1992 (Registered)	750,000	750,000	686,250

Statement of Securities—continued

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Triangle Facilities, Inc. Notes 4¾s, Dec. 1, 1987 (Registered)	\$879,000	\$879,000	\$760,335
Trunkline Gas Co. 1st 3½s, Nov. 1, 1975 (Registered)	651,000	651,000	579,390
Union Carbide Corp. S. F. Notes 4½s, Dec. 31, 1996 (Registered)	2,424,657	2,424,657	2,012,466
United Air Lines, Inc. Notes 5s, Feb. 1, 1984 (Registered)	2,000,000	2,000,000	1,755,000
Conv. 4s, Mar. 1, 1990 (Registered)	1,245,000	2,983,104	2,841,713
U. S. Plywood Corp. S. F. Notes 4.95s, Aug. 1, 1988 (Registered)	1,452,000	1,456,159	1,241,460
Utah Oil Refining Co. Promissory Notes 3.05s, Mar. 1, 1970 (Registered)	300,000	300,000	284,250
Woolworth Co., F. W. Promissory Notes 5s, Dec. 1, 1982 (Registered)	1,000,000	1,000,000	855,000
Xerox Corp. Promissory Notes 5¾s, April 1, 1991 (Registered)	2,000,000	2,000,000	1,835,000
Totals		<u>\$110,677,598</u>	<u>\$98,362,109</u>
Totals, Bonds		<u>\$125,462,887</u>	<u>\$113,138,614</u>

<i>Mortgages</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Abilene AFB Housing, Inc. 4% Mortgage Notes, 1967-82	\$4,603,025	\$4,656,207	\$4,073,678
Instlcorp, Inc. Collateral Trust Notes			
Ser. A-16, 5%, Dec. 31, 1991 (Registered)	2,114,122	2,043,620	1,934,421
Ser. A-21, 5%, Dec. 31, 1991 (Registered)	1,225,310	1,182,418	1,115,033
Ser. A-23, 4.96%, Dec. 31, 1991 (Registered)	976,011	960,196	890,610
Ser. A-19, 4.94%, Dec. 31, 1991 (Registered)	1,718,391	1,661,531	1,563,735
Ser. A-25, 4.64%, Dec. 31, 1991 (Registered)	584,246	559,537	519,979
Ser. A-29, 5.25%, June 30, 1992 (Registered)	724,909	724,628	674,166
Ser. A-31, 4.5%, June 30, 1992 (Registered)	683,168	649,338	601,188
Ser. A-62, 5.125%, Mar. 31, 1997 (Registered)	1,531,593	1,445,440	1,397,578
Totals, Mortgages		<u>\$13,882,915</u>	<u>\$12,770,388</u>

<i>Preferred Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Niagara Mohawk Power Corp. (cum.) 3.90%	1,400	\$145,600	\$94,150
South Carolina Electric & Gas Co. (cum.) 5%	3,000	157,698	124,875
Totals, Preferred Stocks		<u>\$303,298</u>	<u>\$219,025</u>

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market</i>
American Can Co.	35,700	\$2,203,199	\$1,981,350
American Metal Climax, Inc.	84,300	2,995,705	4,720,800
American Natural Gas Co.	44,500	2,032,976	1,746,625
American Smelting & Refining Co.	77,000	3,339,066	5,534,375
American Telephone & Telegraph Co.	98,400	2,463,972	5,104,500
Avon Products, Inc.	33,900	2,432,792	3,813,750
Burlington Industries, Inc.	132,800	1,848,479	5,428,200
Carrier Corp.	60,000	1,176,530	3,840,000
Caterpillar Tractor Co.	124,800	361,083	5,928,000
Celanese Corp.	59,063	3,021,093	3,935,072
Chase Manhattan Bank	15,000	943,213	1,031,250
Chicago Pneumatic Tool Co.	46,200	1,732,141	2,125,200
Clark Equipment Co.	70,400	2,169,836	2,217,600
Coca-Cola Co.	26,000	852,742	3,217,500
Crown Zellerbach Corp.	32,000	1,551,267	1,520,000
Cutler-Hammer, Inc.	31,100	1,548,329	1,834,900
Deere & Co.	76,000	2,744,420	4,807,000
Eastman Kodak Co.	42,570	1,747,538	5,651,168
Falconbridge Nickel Mines, Ltd.	17,000	962,366	1,436,143
Federated Department Stores Inc.	14,500	1,085,747	1,005,938
Ford Motor Co.	72,600	2,722,629	3,856,875
General Cable Corp.	30,500	1,653,886	1,525,000
General Electric Co.	55,000	2,807,132	6,166,875
General Motors Corp.	149,733	6,335,975	13,139,071
General Telephone & Electronics	33,682	1,316,149	1,553,582
Gillette Co.	45,400	1,917,485	2,678,600
Goodrich Co., B. F.	39,500	1,637,304	2,809,438
Goodyear Tire & Rubber Co.	38,950	718,756	1,923,156
Grant Co., W. T.	114,000	1,801,907	4,161,000
Gulf Oil Corp.	53,174	819,705	3,722,180
International Business Machines Corp.	22,243	5,662,817	12,194,725
International Nickel Co. of Canada, Ltd.	35,000	1,872,922	3,745,000
Kearney & Trecker Corp.	11,300	832,660	892,700
Kennecott Copper Corp.	140,500	3,794,047	7,077,688
Litton Industries Inc.	26,700	1,547,055	2,935,131
Louisiana Land & Exploration Co.	76,000	859,955	4,816,500
Marine Midland Corp.	35,000	1,009,402	1,071,875
Mobil Oil Co., Inc.	93,000	1,502,039	4,057,125
Northwest Bancorporation	14,850	360,771	775,913
Pacific Gas & Electric Co.	90,000	1,247,996	3,071,250
Panhandle Eastern Pipe Line Co.	77,286	806,147	2,666,367
Pennsylvania RR Co.	51,000	2,866,952	3,181,125
Perkin Elmer Corp.	4,000	318,802	318,500
Pfizer & Co., Inc., Chas.	24,400	2,057,512	1,994,700
Phelps Dodge Corp.	59,200	2,045,150	4,721,200

Statement of Securities—*continued*

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market</i>
Public Service Electric & Gas Co.	119,400	\$2,573,164	\$3,805,875
Revere Copper & Brass, Inc.	48,000	1,102,049	1,608,000
Sears, Roebuck & Co.	40,800	698,655	2,274,600
Southern California Edison Co.	46,800	675,320	1,673,100
Southern Co.	40,000	745,390	1,010,000
Southwestern Public Service Co.	100,000	686,997	1,387,500
Square D Co.	113,625	908,428	3,181,500
Standard Oil Co. (New Jersey)	68,600	1,387,010	4,596,200
Sundstrand Corp.	16,600	1,146,601	1,240,850
Texaco, Inc.	62,013	713,423	4,945,537
Texas Utilities Co.	20,000	379,515	1,037,500
Time Incorporated	51,600	1,455,781	5,463,150
Travelers Corp.	28,800	1,207,340	810,000
Union Carbide Corp.	21,500	1,116,465	1,109,938
Union Electric Co.	100,000	945,363	2,387,500
U. S. Plywood-Champion Papers Inc.	45,960	682,510	2,332,470
Whirlpool Corp.	52,700	2,461,121	2,503,250
Xerox Corp	18,800	4,800,778	5,221,700
Totals, Common Stocks		<u>\$109,413,559</u>	<u>\$208,523,617</u>

SCHEDULE B

*Administrative Expenses**For the Year Ended September 30, 1967*

Salaries	\$487,760
Employee benefits	140,375
Rent	76,395
Annual and quarterly reports	57,586
Travel	36,745
Conferences and consultations	30,787
Telephone, telegraph, and postage	25,875
Office equipment and maintenance	18,377
Professional services	17,968
Office supplies and expenses	15,971
Duplicating services	13,137
Preliminary moving expenses	7,151
Pensions	5,918
Periodicals, publications, and subscriptions	4,550
Trustee expenses	2,992
Miscellaneous	4,368
	<u>\$945,955</u>

THE CARNEGIE PHILANTHROPIES

ANDREW CARNEGIE set out to give away \$300 million. He gave away \$311 million.

Gifts to hundreds of communities in the English-speaking world helped to make his idea of the free public library as the people's university a reality. In all, 2,509 libraries were built with Carnegie funds. His endowment of the Carnegie Institute in Pittsburgh brought important educational and cultural benefits to the community in which he had made his fortune. From experience he knew the importance of science applied to commerce and industry, and he provided for technical training through the Carnegie Institute of Technology. By establishing the Carnegie Institution of Washington he helped to stimulate the growth of knowledge through providing facilities for basic research in science.

He set up the Carnegie Trust for the Universities of Scotland to assist needy students and to promote research in science, medicine, and the humanities. For the betterment of social conditions in his native town of Dunfermline, Scotland, he set up the Carnegie Dunfermline Trust. To improve the well-being of the people of Great Britain and Ireland, he established the Carnegie United Kingdom Trust.

In the United States, he created The Carnegie Foundation for the Advancement of Teaching, primarily as a pension fund for college teachers, to lessen some of the economic hazards of this profession. To work for the abolition of war, he established the Carnegie Endowment for International Peace. And to recognize heroism in the peaceful walks of life as being as worthy as valor in battle, he created funds in the United States, the United Kingdom, and nine European countries to make awards for acts of heroism. In contributing to the construction of the Peace Palace at The Hague, the Pan American Union building in Washington, and the Central American Court of Justice in Costa Rica, he further expressed his belief in arbitration and conciliation as substitutes for war.

In 1911, having worked steadily at his task of giving away one of the world's great fortunes, he created Carnegie Corporation of New York, a separate foundation as large as all his other trusts combined, to carry on his spirit and system of giving. The terms of this trust are broad: to promote the advancement and diffusion of knowledge and understanding among the people of the United States and certain parts of the Commonwealth. The Corporation was the culmination of his program of giving.

Each of the Carnegie agencies has its own funds and trustees. Each is independently managed, with the exception of The Carnegie Foundation for the Advancement of Teaching, which shares Carnegie Corporation's offices and has the same corporate officers.

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